CHAPTER FOUR
CRISES OF ISOLATIONISM AND LIBERALISATION PROCESS

The military government which seized power in 1962 established a system of isolationist regime and all opponents of the regime both civilian and ethnic armed insurgents were attempted to suppress by repressive measures, force, coercion and intimidation. The state under the Revolutionary Council and the Burma Socialist Programme Party of Ne Win employed isolationism as political and economic policy to realise the ‘Burmese Way to Socialism’. It envisaged national unity and economic prosperity through regimentation and control of the state over the populace and by imposing a self-imposed isolation from the outside world. A strong and penetrative state was created but such a state was transformed into an instrument of despotic rule of Ne Win. The isolationist state of Ne Win brought political and economic crises. In fact the ideology of isolationism and repression created more problems than it solved.

Between 1962 and 1988 several social unrest, political protest and demonstration led by students, monks, workers and others and ethnic and communist rebels continued to challenge the government. The economic bankruptcy and political exclusiveness dissatisfied the people. Ultimately Ne Win acknowledged his mistakes and weaknesses and with a call for policy change, he resigned from formal political life though he continued to exert considerable political influence behind the scene.

After the resignation of Ne Win, his isolationist system collapsed in the face of popular uprising demanding a more liberal political and economic system. A new military government known as the State Law and Order Restoration Council (SLORC) re-occupied power in September 1988 and it promised to introduce political and economic reforms. The State Law and Order Restoration Council was renamed as the State Peace and Development Council (SPDC) in 1997. Despite an electoral defeat in the election of 1990, the military refused to vacate power on the pretext that peace and order were yet to be established in the country and a constitution had to be
drafted as basis for transferring power. Another significant outcome of the crisis within isolationism was development of movement for democracy in Myanmar and the arrival of Aung San Suu Kyi and National League for Democracy (NLD) as the most formidable democratic forces in Myanmar. Since then political development which culminated to recent democratisation was started, but in all these effort it was military which steered and dominated the whole political reconciliation and transformation process. In other words, in the post 1988, Myanmar had started a process of reconfiguration of isolationism in military’s own terms and way.

Economic Crises and Liberalisation under Ne Win

The economic policy of the military rule under Ne Win between 1962 and 1988 had been briefly mentioned in the previous chapter. The independent Myanmar experimented democracy as form of government and in the economic field it adopted a socialistic and state-controlled model of economic development with some degree of privatisation. Both these political and economic experiments could not eliminate the politico-economic ills of the country. The experiment of democracy was unsuccessful and it was halted by military takeover whereas the parliamentary government of U Nu itself moved away from the socialist path to economic development in favour of privatisation and open economy by early 1960s. Despite the failure of socialistic economy under parliamentary democracy General Ne Win was inspired by socialism and desired to overcome capitalist tendencies in Myanmar. This was clearly reflected in the economic policy of Ne Win. The Revolutionary Council adopted a new socialist and autarchic economic ideology. Socialism was mixed with intense nationalism and an obsession of maintaining control and hold on power (Khin Maung Kyi et al, 2000, p. 11).

The economic policy of Ne Win started with extensive nationalisation of its economy. The military government of Ne Win took over banking, foreign and

77The policy of nationalisation was largely accepted among the ruling military junta of the Revolutionary Council. However, the method and extend of nationalisation was contested among them. As Badgely (1989) mentions, before Aung Gyi had been purged in February 1963, the process of nationalisation was gradual under the influence of his tolerant personality and preference for mixed economic model. With his removal, the extreme-left wing policies emerged under the dominance of U
domestic trade and all of the major industries. The beginning was made by nationalising the British owned Imperial Chemical Industries in August 1962 and the Burma Oil Company in January 1963. The Revolutionary Council of General Ne Win passed two important nationalisation laws, i) ‘Law to Protect the Construction of Socialist Economy’, and ii) ‘Enterprises Nationalisation Law’.

After the promulgation of the ‘Law to Protect the Construction of Socialist Economy’”, the banking system of the country including fourteen foreign banks in Rangoon, two branches of foreign banks in the districts, ten private national banks and five branches of private national banks were nationalised (Langpoklakpam, 2006, p. 16). The nationalisation of banks was followed by demonetisation of 100 kyat and 50 kyat notes. In February 1963, the government passed the ‘Enterprises Nationalisation Law’ under which all major industries were nationalised on 1 June 1963 (Holmes, 1967, p. 190). All major economic activities including production, distribution, import and export of commodities were occupied by the state. The state took control of all wholesale and retail sales at regulated price by establishing People’s Shops. No new private industries were allowed and the private sector was limited to petty retail trade. Strengthening state’s control in economic affairs, by January 1966, the number of commodities controlled for sale by such shops was raised to 426 items which covered almost all essentials items (Donnison, 1970, p. 199). Under the ‘Trade Disputes Amending Law’ 1963 the Revolutionary Council of Ne Win captured control of all those industrial units where dispute existed (Langpoklakpam, 2006, p. 16). However in spite of the massive nationalisation programmes, the private ownership was not completely stifled especially where the interest of the majority Myanmarese was involved. For example the policy of mass nationalisation largely left out from its purview primary sector including agriculture in which majority of the Myanmarese engaged.

The nationalisation of foreign and domestic trades did not spare even rice which was the staple food of the Myanmarese. The private purchase of paddy was prohibited and the government monopolised all the purchases and foreign sales of rice

Ba Nyein and Brigadier Tin Pe, who were known for their orthodox Marxist view. Again, the removal of the latter two in 1970 preceded few economic reforms (ibid.).
crop in Myanmar. The military government made it obligatory for the cultivators to sell their rice production to the government at a price fixed by government. Though the peasants were required to sell their produce at fixed prices to the state for meeting compulsory delivery quotas, the risk of crop failure was borne entirely by them (Khin Maung Kyi et al, 2000, p.11).

The nationalisation programme was manifestation of the military’s aim of consolidation and indigenous control of the economy by reducing any foreign influences over the economy and society of Myanmar. It implied to establish an autarchic and self sufficient economy. Here it can be argued that the isolationist ideology of the military’s coalesced in political and economic policies. An isolationist state could not be based on an open economic system. The political changes affected after the coming of military rule in 1962 steered the structure of the economy and its policies. Once the junta had monopolised power in 1962, it attempted to destroy all domestic political opponents and then set out to establish monopoly over economic system of the country. It presented ideological justification or guideline for the military rule in the two unique documents known as the ‘Burmese Way to Socialism’ and the ‘System of Correlation of Man and His Environment’. The ‘Burmese Way to Socialism’ was thus a blueprint of economic development and national independence by reducing all foreign influences in Myanmar (Holmes, 1967, p. 189). The xenophobic tendencies of the economy under the leadership of Ne Win were also clearly reflected in its economic policy. For instance the junta terminated two American philanthropic organisations-the Ford and Asia foundations and the Fulbright and British council programmes and all the foreigners associated with these institutions including all teachers and technicians were asked to leave Myanmar within six months (ibid.). The entry of foreigners and foreign travels were not allowed. The junta even targeted many non-business bodies like foreign mission

78 The Union of Burma Agricultural Marketing Board (UBAMB) which replaced the State Agricultural Market Board (SAMP) controlled government procurement of rice from the cultivators and exported it overseas, proceed of which was intended to use to finance development programmes.

79 As Steinberg (1991, p.732) observes:“In Myanmar...there has been an extremely close association between economic and political policies, but with political factors dominating even the most rigid or liberalizing of economic policies seem to have had their genesis in political perceptions and needs.”
hospitals which clearly exhibited the strong xenophobia and economic nationalism on the part of the junta. In December 1965, in an attempt to curb criticism and comments on its policies, the Revolutionary Council had banned the publications of all private owned newspaper (Holmes, 1967, p. 190). Having nationalised their enterprises and taken over their jobs, the foreign entrepreneurs and businessmen not only suffered injustice, but also ordered to leave Myanmar. The Indian and western interests were severely affected by the economic policy of nationalisation, autarchy and self-reliance. Private foreign aid was rejected, foreign exchanges were severely restricted and only government to government aid especially from the communist countries was cautiously accepted.

The negative outcome of the policy of far-stretched economic nationalism and nationalisation policy was the most disastrous in the modern economic history of Myanmar. The nationalisation of industries, trade and foreign owned property drove some 300,000 Indians and 100,000 Chinese entrepreneurs, merchants and traders out of the country (Smith, 1991, p. 98). The sudden massive exodus of foreigners including businessmen, doctors, teachers, technicians and other took with them technical and management skills which were not easily replaced by the Myanmarese people. Many technical, management and trading roles in the economy were left vacant or took up by less skilled Myanmarese. With external trade curbed and foreign loans and investments not permitted, the foreign exchange reserves of the country greatly dwindled. The country’s access to new technology, know-how and managerial skills were completely lost though they were all the more vital to the country following the massive expansion of the economic role of the state. The capacity of the state controlled industries, banks and firms remained underutilised for want of inputs, skills and good managements. Thus isolation and industrial or economic development through mass nationalisation were found not supporting one another. The extent of nationalisation had curbed the growth of private sectors which otherwise could contribute greatly to economic development. The policy of nationalisation mainly for the sake of monopolisation of the economy was certainly not self-supporting rather it began to weaken Myanmar. The only positive aspect was that some very small scale cottage industrial units relating to plastics, utensils, food processing and mechanical
repair emerged because they were able to escape from the notice and control of the state (Khin Maung Kyi et al, 2000, p.11).

The worst hit was the agricultural sector which was the heart of the Myanmarese economy. As in other typical post-colonial countries, agriculture was the main contributor to the gross domestic product (GDP) of Myanmar and it directly affected industrial and trade sector of the economy of the country. However the junta neglected this vital sector of the economy and hardly 15 percent of the total expenditure of the government was allocated to this sector (cited in Langpoklakpam 2006, p.17). The Tenancy Law of 1963 vested the right of tenancy solely in the Agrarian Committee set up in all rural areas which allocated land to the poor peasants, on the condition that they had to comply with the instructions (Khin Maung Kyi et al, 2000, p.11). The instructions were often irrational but their incompliance constituted opposition which could lead to loss of allocated land or physical punishment. For instance, in the irrigated areas of Mandalay and Sagaing divisions, plantation of paddy was not encouraged instead growing of such crops like, groundnut, sesame, chillies and unions and cotton were promoted (ibid.). The junta enacted the Peasant Rights Protection Act in March 1963 in order to protect the cultivators from harassment by moneylenders, but in practice it deprived the cultivators’ access to loans from the unorganised sectors of the economy which was practically the only source of loan available to them. These measures adversely affected the agricultural sector causing a steady decline in the per capita paddy production and a dwindling of the exportable rice surplus.

The economic growth during the 1960s slowed down. The state controlled economy became stagnant. The politico-economic policy of nationalisation and self-imposed isolation under the ‘Burmese Way Socialism’ rendered the economy deteriorate gradually. The average annual real gross domestic product growth rate was around 6 percent in 1950s. It was reduced to 3.5 percent per annum in 1960s. The economy bounced back with growth rate registered 5.9 percent per annum in 1970s. However it registered the lowest average annual growth rate of 1.9 percent in 1980s (see Figure 2).
The negative impact of such faulty and irrational economic policy and management led to economic slowdown and lack of development. Economic problems, such as shortage of essential commodities, inflation, hoarding, black-market etc. gave rise to serious social unrests and protests evaporating the economic and political stability of the country. The rate of foreign trade to gross domestic product which was 40 percent in 1950s fell to 26 percent between 1960 and 1970 and further to 13 percent between 1970 and 1977 which was one of the lowest among the developing economies (Taylor 1987, p. 229). The nationalised industries and other sectors of the economy registered decline in production.

The reasons for the economic setbacks of 1960s under the military junta are evidently clear. Firstly Ne Win professed an extensive state-controlled economy without adequate planning until 1971. Political factors had a great thrust on the rigid and extensive socialistic economic ideology of Ne Win. The economic policies were politically inspired and proved to be inconsistent from developmental perspective. Secondly the military had not learnt lesson from the failure of socialistic path to development from the experience of the parliamentary democracy era. The pace of nationalisation under the military was swift and its horizon was extensive without being supported by adequate planning and much needed skills to manage it.
consequently it imposed heavy burden on the government officials who were in fact half-cooked in management of business, trade and other economic affairs. Thirdly the economic policies were directed more against the foreigners rather focussing on developmental priorities. It targeted the secondary and tertiary sectors of the economy where majority of the foreigners owned property or had business. The junta neglected agriculture and allied sector especially the rice crop which was the mainstay of the Myanmarese economy. The production of rice gradually declined during the 1960s which not only constricted the growth of foreign trade, industrial development, and accumulation of foreign exchange, but also brought about high consumption expenditure, food shortage and inflation. Fourthly the military did not tolerated opposition to its rule and policies. The country was shut off from external relations and hence ignorant of the development the other countries had achieved. These allowed the junta to procrastinate in its revision of economic policies (Chang 1969, p. 826). According to Chang (ibid), the continuance of communist insurgency and the separatist demand of the ethnic minorities had made the continuation of military rule and its economic policies easy to justify. Moreover due to this factor the government was denied of the revenue it would have got from the forest products from the armed movement infested zones. Lastly, but not the least, the policy of mass nationalisation destroyed private enterprise and the economy was denied their contribution.

With industrial enterprises, foreign and private trade nationalised, industrial and agricultural output declined. The regularisation of procurement and distribution of even essential consumer items constricted their availability for the masses. By the end of 1960s the government-run stores faced chronic shortage of consumer goods. This led to the public dependent on hoarding and black-marketers to obtain the essential household goods. Illegal trades across the frontiers to Thailand, China, Bangladesh and India flourished. It became important means for obtaining the essential goods and items for domestic consumptions. Some of this illegal trade route also flourished as small arms and drug trafficking channels. The junta silently tolerated this illegal trade across borders because it knew that it was that illegal trade which was sustaining the economy. However the illegally imported items were highly inflated in price which
was difficult for the ordinary Myanmarese people to purchase.\textsuperscript{80} The farmers began to hide their rice produce for domestic consumption because they could not afford to purchase rice from the market. For the urban poor the crisis of scarcity and inflation was doubled.\textsuperscript{81} Consequently it was the cities and towns which became the centre of economic and political protests.

The stagnant production, scarcity, demand-supply gap, black-markets for the basic commodities and extreme inflation, as mentioned above, brought about severe economic crisis, which in turn resulted in riots, protests and demonstrations. It may be mentioned here that in 1966 the junta announced decontrol of 34 essential commodities such as potatoes, chillies and pulses and some minor forest products including charcoal, firewood, bamboo and can in view of the deteriorating situation (Bandyopadhyaya, 1983, p. 86). This increased the share of private trade to 40 percent of the total value of internal trade, yet the demand supply-gap continued to be wide with the price of decontrolled items continued to be 400 percent to 500 percent higher than the pre-control levels (ibid.). As a result there was little improvement in the general condition of the people.

Ne Win had come to know the serious limitations of economic isolationism and excessive nationalisation to economy by the end of the first decade of his ruling. The vague economic approach to nation-building and politico-economic modernisation as conceived in the ‘Burmese Way to Socialism’ was not working in favour of the military. The economy was in need of reforms in view of the mounting economic crisis. The political development in the first half of the 1970s and the economic reforms measures of the period showed that the junta had began to conceive some changes in the isolationist ideology of the state. By then, Ne Win had firmly established his power in the political system and consequently he sought a quasi-civilian military regime so that he got legitimacy in the eyes of his opponents. In

\textsuperscript{80} As mentioned by Langpoklakpam (2006, p. 31), in the early an American observer discovered selling of official half-empty bottle of ‘Horlicks’ powdered healthy drink at an equivalent of US $ 12 in Mandalay.

\textsuperscript{81} According to Silverstein (1977, p. 161): “The burden of socialist endeavor fell hardest upon the urban population. Caught between the millstones of low and fixed wages and high prices and commodity shortages, they had few options open as a means of escape... necessities had to be purchased from [government-owned] People’s Stores where prices for food and ordinary cloth longyi [sarong] doubled between 1962 and 1966”.
1970s and 1980s the economy continued to be highly regulated in domestic front but it brought some relaxation to its external economic policy. The two orthodox Marxist in the junta, Brigadier Tin Pe and U Ba Nyein, were removed by 1970. The military began to allow limited foreign aids and loans in a cautious and discreet approach. The country joined the World Bank in 1972 and the Asian Development Bank (ADB) in 1973. The military government entered into development programmes with International Monetary Fund (IMF), United Nations Development Programme (UNDP), Asian Development Bank and World Bank (WB) in 1973 (Waint, 1974, p. 178). The relaxation in economic isolation and the consequent inflow of foreign loans and aids from bilateral and multilateral sources in developmental programmes kept the inefficient economy afloat. In a period of ten years extending from 1977 to 1986, the country received on an average grants (both bilateral and multilateral) of US dollar 89.19 million (Langpoklakpam, 2006, pp. 23,26). The junta’s policy however remained to be cautious and self-serving responding selectively according to its needs. The limited opening up of the economy to aids and loans, particularly from the international organisations was politically steered.

Though economic nationalism and nationalisation continued to be dominant in the domestic economy of the country in 1960s and for the rest of the decades of Myanmar under leadership of Ne Win, some policy reforms were also made. The junta initiated steps to push the domestic economy in a systematic and planned manner. Having felt himself firmly established to hold on power in the military and the Burma Socialist Programme Party, Ne Win moved toward constitutionalism and some economic reform measures, both aimed to stabilise his political position. In September 1972, the junta adopted a Long Term Twenty Year Plan which was divided into five four year plans. This document formally acknowledged the economic problems of the past decades of military rule and propounded new guiding economic policies of the state (Steinberg, 1981, p. 44). The twenty years plan involved some liberalisation measures and less doctrinaire approach by shifting development emphasis from industry back to agriculture, consumer goods and mining sectors (ibid.). The revised economic policy of Ne Win recognised role of private sectors in small-scale industries.
However political rigidity and centralisation of the isolationist political system which were then under the despotic and irrational command of Ne Win failed to utilise the advantages accrued by the economy from the selective or limited liberalisation to ameliorate the socio-economic conditions of the people. The funds inflow from external sources were not utilised in productive economic activities. Corruption, mismanagement, extravagant expenditure and misappropriation of developmental funds produced a critical state of indebtedness by mid-1980s. This had adversely affected the micro-economy of the country which was still struggling to get rid of scarcity of essential commodities, inflation and black-market. Both the money-supply and price level began to accelerate in the 1970s and 1980s showing signs of collapsing state-controlled system of ‘Burmese Way to Socialism’ (Khin Maung Kyi et al, 2000, p. 12).

The situation was increasingly becoming unbearable for the people. The strict trade regularisation dwindled down foreign currency inflow and currency reserve, and mismanagement of developmental funds brought mounting debt. Import was not possible and the problems of shortage, black-marketing and inflation gradually evaporating popular patience. Adding to the problem was growing dissatisfaction of the educated youth due to unemployment problems. The development expenditure of the government was severely constricted due to faulty policy and corrupt administration. To deal with the situation, the quasi-civilian military government or the one-party state of the Burma Socialist Programme Party increased money supply by printing new money, but the result was felt more on inflation rather than on development (ibid.). In order to check the raising price level, in 1985 the Burma Socialist Programme Party government demonetised 25, 50 and 100 kyat notes which were notes of lower denominations representing about 25 percent of all money in circulation. According to Charney (2009, p.147) the period was such that ‘the kyat had become unreliable, rice became the new currency and so was hoarded’. The motive of demonetisation was intended to outlaw the ownership of bank notes of the denominations to destroy all large hoarding of liquid wealth, and to curb black market and inflationary pressure in the economy. This was followed by another demonetisation in 1987, fourth in number, two in 1962 and then in 1985 and 1987. This decision overnight eliminated large amount of the wealth and saving of
Myanmar citizens. No doubt, the measures adversely affected the businessmen and the black-marketers, but the worst affected was the middle-class and the lower class who were already distressed by the roaring food price. No adequate compensation was paid to the people affected by such idiosyncratic demonetisation policy, which represented a fundamental failure of the economic system.

By 1988 the policy of economic isolation, nationalisation, ineffective liberalisation and the mismanagement of the economy due to rigidity, corruption, inefficiency, lack of knowledge and know-how under Ne Win’s monopolistic and despotic rule had pushed Myanmar towards economic bankruptcy. The country was granted official recognition as one of the Least Developed Country on 11 December 1987 by the General Assembly of the United Nations.

**Political Crises within Isolationism of Ne Win**

The twenty-six years of isolationist system of Ne Win endangered all the political aspirations of the people. It created a political process critical to democratic politics and all potential opponents both inside and outside the military organisation was excluded by configuring an isolationist political system. The junta attempted to reorganise the economy, society and politics by imposing strict control and regulation. The military tolerated no opposition to its role or activities. External influences and meddling were largely avoided through policy of isolationism. Initially people thought Ne Win capturing power through force in 1962 would be only a temporary takeover as it was in 1958. The junta however thought differently. It proclaimed itself as agent of modernisation and nation-building, and attempted to realise those goals through a regimented and isolated political system. To thwart obstructions, it was equally repressive and despotic rather a form of totalitarian system was constructed, but still remained isolationist in character during the period from 1962 and 1988.

The political crisis within isolationism of Ne Win occurred from the very fact that it was highly regimented and isolationist. It was based on excessive control, not accommodative and did not respect popular demand for reforms. The junta attempted to maintain its power or authority by cultivating a new complaint and subservient
Oppositions to the isolationist system came first from the students of Rangoon University in July 1962, barely four months after the coup. After coming to power, the Revolutionary Council had attempted to establish tight control over the educational activities anticipating protest may come from the students. Strict regulations such as fixation of study hours, prohibition of unauthorised gathering, locking of dormitories at 8 pm etc. were imposed which were resented by the students and they protested. The students of the university began demonstrations under the leadership of Rangoon University Student Union (RUSU). The military found it difficult to tolerate student activism while it was establishing the foundation of a new society. The military responded heavily to the mild and non-violent protests of the students and later it dynamited the student union building reducing it to rubble (Thant Myint-U, 2007, p. 293). The action of the military casted serious doubt on its claim of being agent of reconstructing Myanmar. The military claimed that no one was hurt in the crackdown though many students were killed and even more were injured. Later that day, Ne Win spoke threatening on the radio: “We will fight sword against sword, spear against spear, and there is no turning back” (quoted in Wakeman and San San Tin, 2009, p.17). The university was temporarily. It was reopened in August but the authority demanded the students good behaviour and their pledge sign and endorsed by responsible citizens in their home areas.

Student activism again erupted in 1963. Strengthening the regulative mechanism over the student activities, the military government issued a vague and confusing admission criterion under the system called the Intelligence Level Aggregate (ILA) which was driven not by educational goals, but by an effort to prevent campus protests (Wakeman and San San Tin, 2009, p.33). The new system was actually implemented the following year. In July 1963, the students circulated
pamphlets on campus of the Rangoon University to commemorate those colleagues who died in the event of military dynamiting the student union building. The government responded by closing all colleges except for medical and engineering institutions (ibid.). The same year, students also protested against the government policies on armed communist rebels. The military government further strengthen its hold on the country by declaring that it had outlawed all political parties and political organisations, except the Burma Socialist Programme Party. The remnants of the erstwhile political parties of the parliamentary democracy era were banned and political activities for the civil society were constricted. Crackdown on the protestors was legitimised. From that point onwards, mass protest became outlawed and dangerous activities in Myanmar. The junta violently crushed the protest of the monks of 1965 which demanded revocation of decision of government to brought Buddhist clergy under government control. In 1967 some government workers protested expressing dissatisfaction over the day to day economic crisis due to high costs of living and shortage of essential commodities. The protests of the monks and the workers were less threatening, rather it was the armed insurrection movements of the communists and the ethnic rebels that was more a matter of concern for the military government.

When the military seized power in 1962, it vowed to preserve the union by preventing disintegration of the country. The communist and the ethnic minority insurgency posed serious problems to the military’s quest of unity. Soon after coming to power, the Revolutionary Council made overture for conciliatory talks and peace negotiations to solve the decades old communists and ethnic rebellions. As a part of the peace initiative, the military junta announced an amnesty for the rebels. Talks were held with the Red Flag communists, the Communist Party of Burma and the Shan and the Karen insurgents (Arumugam, 1976, p. 167). The peace parley however failed to bring the two sides to an understanding. The communists and many ethnic rebel leaders criticised the government for the breakdown of the talk and alleged that the government did not take their demands seriously. Having dismayed the rebels went underground. The government was on the other hand convinced that solution to
armed insurrections can get success only through military tactics. By the mid 1960s, the initial stand of lenient treatment to the rebels was abandoned and the military sought a more hardliner approach. The immediate counter-insurgency strategy was its notorious ‘Four Cuts’ (Pyay Pyay) policy designed to cut the four main links-food, fund, intelligence and recruits-between insurgents, their families and the local villagers (Smith, 1991, p. 259). Under the four cuts campaign, the Tatmadaw systematically relocated civilian population deemed sympathetic to armed ethnic and communist rebels. The policy could drove many insurgents into the more rugged frontier areas, but the methods of force, and intimidations of the villagers unleashed during the operation were greatly resented by the villagers.

One of the serious concerns of the military junta was the cross-border linkage coming in support of the communists and the ethnic rebels from China and Thailand. The Chinese government supported the communist rebels in Myanmar acting under the policy of export of ideology, whereas the Thai authority wanted to create a buffer zone between Myanmar and Thailand by fortifying ethnic rebel territory. The Chinese support was strengthened following the anti-Chinese riot in Rangoon in 1967 with the Chinese authority providing financial and materials helps in the form of arms and ammunitions. This enabled the Communist Party of Burma to occupy control over vast territory along the Myanmar-China border. Meanwhile the junta strengthened it crackdown on the rebels and destroyed the communist rebels operating in the delta areas. The Red flag communists were destroyed by 1970 with the leader of the group Thakin Soe captured and assassinated in 1970.

The former Prime Minister U Nu was released in 1969 and after his release he attempted to organise insurgency from a base on the Thailand-Myanmar border. It can be observed that the military junta’s effort to establish unity by imposing strict control over all aspects of public life of the people was not acceptable to the rebels and hence the isolationist system it pursued was not justifiable to them. The ethnic rebels and the communists refused to identify themselves with the new regime agreeing with the terms as provided by the peace negotiations of 1963. The political system

\[\text{After the breakdown of the peace talks rumour appeared that the military was creating disturbances to end the peace talks to prove that the rebels were not willing to the path of negotiations thus to justify a campaign of ruthless suppression.}\]
accumulated crises due to ill-effects of political monopoly and excessive control. Throughout the 1960s, the communists and the ethnic rebels were active in the peripheral border areas and in cities and towns protests were led by students, workers and monks.

In 1974 a new constitution became operative. General Ne Win, having felt his position and control firmly entrenched in Myanmar attempted to revitalise his position by marking a transition from direct military rule to a quasi-civilian military rule or one-party regime under Burma Socialist Programme Party. General Ne Win stepped down as chief of the army to become president of the country and the chairman of the Burma Socialist Programme Party. Yet Ne Win’s control in Tatmadaw was still maintained and it continued to report to him. The new constitution made the stature of Ne Win *de jure* in the political system. Isolationism was legitimised as it was now pursued under the gist of a hypocritical constitutional sanction. In the new dispensation as well, political isolation through tools of strict control and regulation continued, though some relaxation in economic and foreign engagement could be seen in 1970s and 1980s. Consequently protest, riots and insurrections continued in fourteen year regime of the quasi-civilian military government of Ne Win.

The year 1974 witnessed workers and students protests. In May 1974, rising food price combined with increasing hardship and no prospect for change triggered demonstrations of dockyard workers who were joined by railway and textile workers demanding more rice and better pay (Wakeman and San San Tin, 2009, p. 63). A few weeks later the workers were joined by students protesting against inflation and food shortage. The worker-student protests expanded and it became nation-wide. The government accused the protesting workers of having connection with the communists and they were responded with force and violent repression in which, as official news reported, more than twenty people killed and at least sixty injured in the crackdown (Wakeman, 2009, p. 63). The government took the strike of the workers seriously and it attempted to ensure availability of rice and other essential
commodities for consumption. However the response of the government could hardly meet the chronic demand-supply gap existing in the economy.\textsuperscript{83}

The anger of the workers, labourers and the students over the pathetic economic conditions of the country and the harsh police crackdown on the protestors had hardly vanished that the quasi-civilian military government of Ne Win exhibited another testimony of being isolated from or disrespected wishes of the people by refusing to accord the death body of U Thant a state respect.\textsuperscript{84} The people of Myanmar felt great pride in the achievement of U Thant and wanted a state funeral for the bereaved. However Ne Win who had a smouldering hatred of U Thant over his stature and for his ties with U Nu (Thant Myint-U, 2007, p. 311; Wakeman and San San Tin, 2009, p. 64) announced that U Thant would received only an ordinary burial in Kyan Daw Cemetery with no acknowledgement of his special status (Wakeman and San San Tin, 2009, p. 65). The outraged students had taken it as apparent snub of U Thant and articulated their demand for proper state respect to the death body of the U Thant. Students protested. Many monks joined hand with the students. In these protest events and police crackdown that followed, officially 9 people were killed, 7 wounded and 1, 800 protestors including students, monks and other civilian were arrested (Lintner, 1990, p. 52). The U Thant accident was not isolated from the people’s protests of the last twelve years against the ills of isolationist system of Ne Win. The accident exhibited that the military regime was not willing to respect people’s aspirations even in matter not affecting its political agenda. The junta was extremely isolated from the people and it was overcautious. For the most volatile sections of the society, such as students and monks, the protest was another instance of their anti-regime protests. Thus the protestors specially singled out issue of corruption among government officials, basic food shortage, economic decline and loss of freedom and absence of jobs during the protests (Silverstein, 1977, p. 143).

\textsuperscript{83} According to Wakeman and San San Tin (2009, p. 63), after the worker uprising, the government made more rice available hoping that it would reduce underground political agitation and prevent further strikes. However the responses hardly meet the need of the people. The hardship faced by the ordinary workers was highlighted by him saying that:“...people sacrificed their lives for rice and invested their blood, yet when more rice finally came, it was like feeding a handful of sesame seeds to an elephant” (ibid.).

\textsuperscript{84} U Thant was Myanmar’s most famous diplomat and served as Secretary General of U Nu for two terms from 1961 to 1971. At the age of 65, he died of cancer in New York.
Next year demonstration again broke out on the first anniversary of the workers’ protests. Hundreds of students joined workers. The protestors demanded release of their colleagues arrested on the U Thant accident and voiced against the raising economic hardship encountered by them. Though it was not well-organised and stable, students’ attempted co-ordination of the workers in the protests was a significant development in the anti-military government protests in the country. After the 1975 protests, the quasi-civilian military regime faced no formidable protests from the urban dissidents. Throughout the period, the situation was very different in the country-sides, where ethnic and communist insurgents were still active and administering vast areas.

The most significant development relating to the armed resistance against the one-party state of Ne Win was the establishment of the National Democratic Front (NDF) as the culmination of the several attempts to unify the operation of the various armed opposition groups. Established in 1976 in the headquarter of the Karen National Union, National Democratic Front was a loose alliance of Karen National Union and nine other ethnic minority armies. The National Democratic Front sought creation of a federal Union (Smith, 1991, p. 10). It agreed an overall strategic aims among all major groups and began conducting more joint operations (Cline, 2009, p. 578). In late 1970s, the Communist Party of Burma and Kachin Independence Army agreed to co-operate which in turn strengthened Kachin Independence Army, the armed wing of the Kachin Independence Organisation with supplies of arms from China via the Communist Party of Burma. The Communist Party of Burma also extended its position by absorbing factions of the Shan rebels. In spite of the National Democratic Front’s complicated relations with the Communist Party of Burma, both agreed to strike a military deal bringing thousands of anti-government rebels together.

85 Boudreau (2004, p. 94) also mentions that the most remarkable development during this period of protest was the attempted co-ordination by the students directed towards the striking workers. The student dissidents picked up and amplified workers’ concerns at speeches delivered on university campuses and in the streets (ibid.).

86 The nine insurgency groups forming National Democratic Front (NDF) were: Kachin Independence Army (KIA), Karen National Union (KNU), Lahu National United Party (LNUP), Paluung State Liberation Party (PSLP), PaO National Organisation (PNO), Arakan Liberation Party (ALF), Karen New Land Party (KNLP) (it resigned) and Shan State Progress Party (SSPP). With the inclusion of three more groups namely, New Mon State Party (NMSP) in 1982, Wa National Organisation (WNO) in 1983 and Chin National Front (CNF) in 1989 the partner of National Democratic Front was increased to twelve (see Langpoklakpam, 2006, p. 71 footnote no.35). The National Democratic Front was the biggest alliance before the formation of Democratic Alliance of Burma (DAB).
in one front. However relation between the two main rebel groups continued to be
tense leading to several anti-communist ethnic insurgents splitting from the National
Democratic Front (ibid.).

The effectiveness of the National Democratic Front was short-lived. Nevertheless, it was the nucleus for the creation of a joint front of twenty-three armed rebel group known as the Democratic Alliance of Burma (DAB) in the late 1980s. The armed opposition to the isolationist military regime continued unabated throughout 1970s and 1980s. At times Ne Win attempted to placate the insurgents in view of the mounting threat of a united armed opposition front by offering amnesty in 1980. However the proposal did not worked as it was not appealing to the insurgent whose strength was rising due to alliance among them. Ne Win’s government continued to pursue the flawed policy of unionism, centralism and control in relation to its minority groups. Since the coup of 1962, the military government consistently sought to achieve a centralised, unitary state structure and isolationist political functioning that was based on strict control, intimidation and repression. The junta endeavour to achieve national unity emphasising on the defeat of the insurgents and their total crush, but it neglected aspects of national consolidation through economic development and focus on social, political and cultural aspects for bringing about national-building. As a result, protests and insurgency continued from the minorities demanding goals that range from autonomy to independence.

In 1980 the Burma Socialist Programme Party government held secret talks with the Communist Party of Burma and in 1981 talks were conducted with the Kachin Independence Organisation but no fruitful outcome resulted from the talks. The Shan and Karen rebels, on the other hand, vowed to continue fighting. The government in May 1980 also declared amnesty offer to the rebels and other dissident groups, but except some smaller groups, it was found unacceptable to most of the rebels. The Shan and the Karens did not even go to the negotiating table because except complete independence no negotiation was worthwhile for them (Langpoklakpam, 2006, p. 62). The former Prime Minister U Nu who was then living in India took the offer of amnesty and returned home to Myanmar. By September 1988 there were 25 insurgent organisations operating in Myanmar which could
roughly be “divided into two major blocks, one headed by the Communist Party of Burma and the other by the National Democratic Front (NDF),” according to Smith (1991, p. 10).

Besides the political crisis in the form of civilian protests and armed rebellion, the year 1976 unfolded serious opposition to the monopolisation of power in the hands of Ne Win from his junior subordinates. An assassination plot against Ne Win and other members of the ruling clique was unearthed in July 1976. This was the outcome of long suppression of initiative and opinion in quest of strict discipline, secrecy and intimidation as methods of control within the institutional structures. One junior officer from the Defence Service Academy, Ohn Kyaw Myint was found guilty of high treason against the government and later he was hanged to death. General Tin Oo who was then the chief of the army staff and the defence minister was sacked along with his followers on the charge of withholding knowledge of the assassination plot (Min Win, 2008, p. 1023). In place of General Tin Oo, Ne Win’s one of the favourite follower General Kyaw Htin, who had been a follower of Ne Win since his induction in the Fourth Burma Rifles, was made chief of the army (ibid.). The failed coup alerted Ne Win and as precaution he undertook purge large number of bureaucracy to root out further dissent. He also paid serious thought on the country’s deteriorating economic condition. A special Party Congress was convened to halt the country’s deterioration in the political, economic and social fields. Investigation identified many problems within the one-party government, such as it was found that rules were not followed, errors were not corrected, criticism and self-criticism were not practiced, and factions had formed within party units (Wakeman and San San Tin, 2009, p. 74). Every Burma Socialist Programme Party department conducted its own internal investigation as part of the cleansing of the party’s ranks, and within a month more than a hundred Central Committee members had been dismissed (ibid.).

It can be mentioned here that it had been a ruling policy of Ne Win to sack his potential rivals within the army and the government in order to ensure his stature uncontested and supremacy maintained in those institutions. Thus, Brigadier General Aung Gyi, who was considered the number-one rank successor to Ne Win, was sacked due to disagreement over how to manage the economy of the county. Similarly
the former chief of the Military Intelligence (MI) and then the joint secretary of the Burma Socialist Programme Party Brigadier General Tin Oo (different from the Tin Oo above) were purged along with his Military Intelligence group because his stature and Military Intelligence had become more powerful and independent of Ne Win (Min Win, 2008, p. 1023). These events suggest that factionalism occasionally flared up to the monopolistic control of Ne Win into the internal structure of both the party and the military. However the cleansing campaigns in the forms of purges, punishments and reward ensured both the military and the party remain the personal domain to execute and prolong the power of Ne Win in the country. Such cheap politics of power through isolation and excessive control deprived the system the service of ‘the best and the brightest’ to become it dysfunctional and moribund which could be sustained only by force, repression and creating fear.

**Genesis of the Movement for Democracy**

The peoples’ disapproval of the despotic and isolationist policies of Ne Win was gradually unfolding with their demand broadened to include democracy and regime change from purely economic demands like curbing inflation and ensuring food availability. Economically, by 1987 the country had faced chronic and mounting problems due to the decades of isolationist rule. Myanmar became one of the world’s poorest countries in 1987 by securing least developed country status. The pathetic stature of the country surprised the people of Myanmar and at the same time they felt shame and angry. Anti-regime sentiments were high in the environment. It was around this time the retired Brigadier General Aung Gyi’s widespread open letters to Ne Win appeared. The open letters criticised Ne Win’s economic policy for the 1967 rice riots and suggested broad economic reforms. The people were tolerating the impact of economic retardation and there was chronic shortage around. It was at this critical juncture that the quasi-civilian military regime of Ne Win announced demonetisation of 25, 35 and 75 kyat notes in 1987. The impact of the demonetisation was very harsh on the students. Overnight they were left with no money to pay even their school fees. As a result many anti-government protests started breaking out in cities and towns in Myanmar.
The early spark to the largest protests in the history of Myanmar popularly known as the ‘8888 uprising’ was provided by an interaction between Rangoon Institute of Technology (RIT) students and the son of a local Burma Socialist Programme Party official. A ‘town and gown’ brawl (Smith, 1991, p. 2) in a tea shop in the Rangoon Institute of Technology occurred in 12 March 1988 where the son of the Burma Socialist Programme Party official hit and seriously injured one student of the Rangoon Institute of Technology. The accused was arrested, but as he was son of an influential local Burma Socialist Programme Party official, he was quickly released. In protest to the injustice and obvious police favouritism, the students of the Rangoon Institute of Technology surrounded the local People’s council office. The Lon Htein or riot police attempted to suppress the demonstrations with force on 13 March and in the crackdown it killed one Rangoon Institute of Technology student Phone Maw (Wakeman and San San Tin, 2009, pp. 115-116). Condemnations over the police brutality also spread to Rangoon University students which were already feeling the brunt of demonetisation of 1987.

Simultaneous protests broke out in Rangoon University against unequal treatment, brutality of the riot police and bogus reporting on the state-controlled medias. The police brutality continued on the protesting students. In the following days, the student demonstrations grew larger and more dispersed with participants expanding their protests beyond the university campus to Rangoon landmarks like Shwedagon and Sule pagodas became sites of protests (Boudreau, 2004, p. 195). The protests turned something more rambunctious and less manageable for the loose student leadership that the demonstrators became more violent and began to attack government-owned buildings and property (ibid.). The infuriated as well as feared army units and Lon Htein combined troops attacked the protestors. More than 100 protestors were killed in the crackdown, 41 of whom were students suffocated to death in a prison van deliberately driven in the city for two hours on the short way to Insein jail (Smith, 1991, p. 2). After the violent crackdown, the Burma Socialist Programme Party government closed down schools and universities, and the students

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87 The 8888 uprising refers to the series of protest that took place in Myanmar in 1988 that culminated on 8 August 1988 giving this uprising its name. They were the largest mass protests in the country since independence in 1948.

88 This accident is popularly known in Myanmar as the ‘White Bridge’ massacre.
were sent in their home villages and cities. However when the institutions were opened in June more inclusive and widespread anti-regime protests occurred. On 20 June 1988 a student march was joined by some 20,000 people including fellow students, monks, worker and high school students. Against this backdrop, Aung Gyi issued another open letter to Ne Win containing shocking details of the March repression of student protests (Boudreau, 2004, p. 198). The protestors’ angry was fanned.

The student activism was rapidly increasing and to deal with the situation the Burma Socialist Programme Party government closed all educational institutions and curfew was imposed from dawn to dusk in Rangoon. Meanwhile the deteriorating economic condition increased grievances of the people and riots broke out in several parts of the country. It was a period of serious rethinking on the stand of the government in view of the deteriorating economic and political conditions in Myanmar. The pressure on the government was mounting from all sections of the society. The anti-regime protest became wide day by day.

At this juncture, Ne Win called an emergency and extraordinary session of the Burma Socialist Programme Party on 23 July 1988 to determine how to address the growing socio-economic unrest, for preventing further bloodshed and restore law and order in the country. At the session, Ne Win made an unexpected speech the content of which startled many. Ne Win announced release of detained students, admitted personal responsibility for the March and June shootings and surprisingly offered resignation from the party and the government (Boudreau, 2004, p. 200). He also suggested that a national referendum on whether a single party system or a multi-party system would resolve the political crisis of the country (ibid., p. 200; Guyot, 1989, p. 120). Ne Win made stunning but firms conclusion that the soldiers would not shot into the air to threaten but it would shot to kill in future. Ne Win appointed

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89 Smith (1991, p. 3) writes that due to shortage of supplies in the shops, the prices of the essential commodities continued to be high. The price of the rice continued to be high. It was estimated to be raised by 400 percent since the beginning of 1988 (ibid.). According to him, the economic discontentment apart, the year also saw communal clash between the Buddhists and the Muslims in Taungyi which was allegedly provoked by the authority (ibid.).

90 However Ne Win denied his responsibility for blowing up of the Rangoon University Student Union (RUSU) building in 1962.
dreaded Swein Lwin as his successor. Ne Win’s announcement and Sein Lwin’s appointment indicated that he was planning for a change, but he was not prepared to tolerate protests and demonstrations. The Burma Socialist Programme Party session however accepted the resignation of Ne Win and named Sein Lwin as successor of him, but it rejected the proposal on national referendum on the ground that it would focus more on arresting economic problems of the country (Charney, 2009, p. 151). The promise of reforms was not subsided, but the threat of violent action was upheld.

The people had by then lost complete faith in the government. Moreover the appointment of Sein Lwin provoked more protests and demonstrations than it placate after the resignation of Ne Win. People returned into the streets of Rangoon and Mandalay demanding restoration of democracy. The people came to know that the root of Myanmar’s agony was the military rule and a total uproot of the regime and establishment of democracy could only survive Myanmar from total collapse. In the next few days, mass protest occurred in many towns across the country including Moulmein, Javoy, Mergui, Pegu, Toungoo, Sittwe (Akyab), Minbu, Pakokku and even Myitkyina in far north (Smith, 1991, p. 4). To prevent the protests, the new leader Sein Lwin imposed martial law on 3 August implementing curfew in cities and towns.

The student leaders called for an organised mass demonstration on the astrologically auspicious day on 8 August, 1988. The work of one British journalist Christopher Gunness of the BBC’s Burmese Programme was credibly significant. He announced the 8-8-88 strike date to the whole country on BBC news, which enabled the call for strike reach widespread encouraging the people to take part (Wakeman and San San Tin, 2009, p. 121). The broadcast heightened popular anger and outrage and gradually anti-regime sentiments were channelized to people from all wake of life including “civil servants, factory workers and even armed personnel” (Ardent Maung Thawnghmung, 2003, p. 445) for a larger scale of demonstrations.

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91 Sein Lwin was a known hardliner. As head of the riot police Lon Htein, he was responsible for the bloody crushing of students’ demonstrations in March and June 1988 for which he earned the nickname ‘the Butcher’. Under his leadership, the riot police was known for beating, shooting, torture, and rape.

92 According to Wakeman and San San Tin (2009, p. 121), the British journalist made reference to the brutal suppression of the Phone Maw affair and also aired a taped interview with a female student, Aye Nyein Thu, who claimed that girls had been raped in prison after the March protests. That broadcast heightened people’s anger.
On the appointed day on 8 August, under the broad leadership of students, demonstrations occurred in the streets of all cities and towns of Myanmar. The demonstrations in the streets on Rangoon was said to be participated by 1, 00,000 people (Kissing’s Record of World Events, 1988, p. 36223). It stretched into five days during which it turn bloody due to violent crackdown of the military. The junta kept words of Ne Win to shoot to kill those who stand against the government and more than one thousand protestors were killed and about two thousand were wounded (Burma Watcher, 1989, p. 177). The soldiers even shot at a group of nurses and doctors outside Rangoon General Hospital killing five of them. They were demanding peace and an end to unrest in Myanmar but the military mistaken them to be protesting against the regime. The brutality of the military spread quickly and at the same time, people’s anger turned wild and violent. There were complete lawlessness and anarchy in Myanmar. The violent crackdown apart, the military attempted to prevent outflow of news of the internal crisis and anyone seeing with a camera was considered a foreign spy and was instructed to punish immediately. In spite of this, the international community was quick to sympathise with the people of Myanmar. Many liberal-democratic countries like the United States, Japan, West Germany and countries of European Union led in exerting pressure on the junta to respect people’s demands. Pressures were mounting on the military. Consequently Sein Lwin resigned and was replaced by Dr. Maung Maung, another loyalist of Ne Win, but a civilian and western educated personality.

The sudden and unexpected resignation of Sein Lwin heightened the belief of the protestors that ‘they could achieve their goal if they continued agitation (Yitri 1989:550). To crush the popular mood of protest, the government of Maung Maung softened the isolationist ideology of the state and started initiating concessions and granting the demonstrators some of their demands. The new president officially lifted martial law, major opposition leader were freed and a series of placating measures were offered including hike in salaries, dropping of tax payment on crops, and the

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93 According to Boudreau (2004, p. 205) at one point the protestors burned a police station and tore apart four police officers who fled the flames. Tucker (2001, p. 228), the demonstrators even retaliating throwing Molotov cocktail, swords, spears, knives, poisoned darts and slingshot propelled by-cycle spokes.

94 The government of Sein Lwin lasted for only eighteen days. Apart from internal pressures, Sein Lwin’s resignation was partly caused by international criticism.
easing of restrictions on travel aboard, among others (ibid. p, 551). To shift the focus of attention away from politics, trade and business opportunities were also held out in a concerted effort, and even advocated a new election (ibid.).

The leadership change giving a thinnest pretence of civilian rule and the president’s pro-active commitment of engagement and initiatives to respect popular wishes had little effect to arrest the public outrage. In fact the concessions it announced came too late, now the protestors wanted nothing less than ouster of the despotic quasi-civilian military regime of Ne Win. They also demanded end of the outdated socialist economy and establishment of an open political system (Langpoklakpam, 2006, p. 73).

When the new president had lifted the martial law, more people came openly to the streets, protested and demanded political and economic liberalisation more vigorously. He lost faith in the opposing forces viz. the military, his creator and the protestors. The disgusted Maung Maung saw handing over power to the military as the immediate way out of the prevailing conflict. The military also smelt loss of grip of power and to avert the emerging lost of stature of dominance, it staged a military coup on September 1988 under the leadership of General Saw Maung and ousted the government of Maung Maung. The coup leaders established an eighteen member military body known as the State Law and Order Restoration Council (SLORC) as the new ruling body. The State Law and Order Restoration Council quickly reversed the lenient stand of the government of civilian president Maung Maung. It restarted the politics of violent repression of the protestors. In order to subdue the protests, martial law was re-imposed and several leaders of the movement for democracy were arrested and imprisoned. Media was censored and tight regulation on the outflow of news of protest was undertaken. There was complete reign of terror in the country. During this period, many anti-regime and pro-democracy protestors undertook exodus in India and Bangladesh and toward the so called liberated zones controlled by rebels along border with Thailand. Thus the State Law and Order Restoration Council forcibly controlled the tide of the growing movement for a responsible government.
The uprising was unprecedented in the political history of Myanmar. It was remembered both for the magnitude of the protest and extensive military crackdown. The spontaneous movement demanding political and economic liberalisation was violently crushed down. However the mass movement in itself was a great event in the history of the country. The psychological pressures it created on the minds of the military exhibited soon. One significant development emerged from the perspective of the future of movement for democracy in Myanmar that was the emergence of popular leaders to carry on the politics of oppositions. It may be reminded that one of the legacies of the twenty-six years of Ne Win era was ruthless quash of all opponents and dissidents both inside and outside the party ensuring no successor or rival parties could emerge (Smith, 1991, p. 6). After the exit of Ne Win era leaders of the oppositions felt it was safe to emerge publicly. The student protestors had organised themselves into a loose organisation known as the All Burma Students Union (ABSU). The All Burma Federation of Students’ Union (ABFSU) came to the national scene with a claimed 50,000 membership under the leadership of Min Ko Naing and Paw U Tun. The retired general Aung Gyi, retired major general Tin Oo and Aung San Suu Kyi\(^{95}\) gradually assumed importance as leaders of the opposition. These three prominent leaders and the former prime minister U Nu joined hand under a body known as Alliance for Democracy and Peace (ADP) (Guyot, 1989), but it proved temporary. U Nu declared formation of a parallel government claiming that he was the last democratically elected prime minister. During this period of protests and anarchic conditions in the cities and towns, the armed insurgency groups did not take the opportunity for a combined struggle by joining hands with the protestors. They remained satisfied by regaining some lost territories from the retreating army in order to put down demonstrations in the cities. The movement for democracy was in fact in an embryonic stage. It was not properly organised and its leaders were not united in their struggle.

\(^{95}\) Aung San Suu Kyi was the only daughter of Aung San who was considered the architect of modern Myanmar and the army. She had lived most of her life in England and married an English scholar on Central Asia named Micheal Aris. She also grew up partly in India, where her mother was ambassador. She was in Myanmar in 1988 by accident (to care for her sick mother), but the violent suppression of demonstration demanding political reformation and human rights, drew her into political morass. She never thought her country would need her to fight against the army which her father had created.
The charismatic leadership of Aung San Suu Kyi was particularly most significant. She began giving widely attended speech at that time attracting more protestors and intellectual advisors including well-known writers, artists and lawyers who had long been secret but better critics of the government to come forefront (Smith, 1991, p. 9). Aung San Suu Kyi became the icon and torch-bearer of Myanmar’s movement for democracy. She gave her first major public speech at the Shwedagon Pagoda, the holiest Buddhist site in Rangoon. In her first speech, she combined epideictic and deliberative rhetoric. Suu Kyi pointed out that she was Aung San’s daughter and she was participating in this struggle for freedom and democracy in the footsteps and traditions of her father and that the emerging national crisis is the second struggle for national independence (cited in McCarthy, 2006, p. 166). She also asked people to remain disciplined and non-violent in their movement for a responsible government.

The protests of ‘8888’ demanding a responsible government and respect of human rights were ruthlessly suppressed soon after the coming of the State Law and Order Restoration Council. However a movement for democracy had born in Myanmar highlighting the deeply rooted injustice and repression under the military rule far and wide both inside and outside the country. For the first time Myanmar received unprecedented attention of the outside world. The three major aid donors of Myanmar- Japan, West Germany and the United States declared their assistance in Myanmar suspended until genuine political reforms had been instituted (Burma Watcher, 1989, p. 179).

Politics of Liberalisation

The year 1988 became a turning point with significant changes such as establishment of four successive governments and the birth for movement of democracy in Myanmar. The popular uprising of August 1988 had ended the monopolistic era of Ne Win, but it was not accompanied by transition to a responsible government. Instead there was restoration of military government under the State Law and Order Restoration Council. However the State Law and Order Restoration Council was militarily anew and under it the policies of the military did not remain
the same as it was during the period of Ne Win. The key policies of the government were on the verge of reforms, though the psyche and ethos of Ne Win era not totally gone from the thought of the military leaders. Moreover pressures for reform were mounting from both internal and external sources.

The junta was in a state of ‘experimental and pragmatic mix’ (Khosla, 1998, p. 1640). Under the State Law and Order Restoration Council, the military retained it control on power, but three fundamental policy changes occurred. First it proclaimed a pledge to respect the wishes of the people for free elections once the law and order had been restored in Myanmar. Second the junta had abandoned the socialistic economic policy based on the ideology of ‘Burmese Way to Socialism’ and the country was opened for foreign trade and private sector enterprises marking a shift to market-oriented economy. Third closely related to it was the policy of establishing greater relationship with the world outside particularly relationship with the immediate neighbours of Myanmar was focussed.

Soon after its installation, the State Law and Order Restoration Council resorted to repressive measures to quell the popular demonstrations claiming that it was doing so to establish peace and tranquillity and prevent the disintegration of the country. Saw Maung’s regime immediately re-imposed curfew banning gathering of more than five people and prohibiting processions and protests. It curbed the brief spell of freedom of expression under the Maung Maung’s regime. At the same time, Saw Maung announced that the State Law and Order Restoration Council would function as an *ad hoc* military regime and it would not cling on to power for long. Though martial law and several other restrictions had continued, by mid 1989, the junta had stopped violent crackdown on the protestors, instead arrest of important

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96 The State Law and Order Restoration Council seized power from the faltering civilian cohorts of the military headed by Maung Maung. But before it had resorted to politics of violent repression of popular uprising, it announced that it would not cling to power for long and enumerated four tasks of the de facto government namely i) maintain law and order, ii) provide secure and smooth transportation, iii) strive for better conditions of food, clothing, and shelter for the people and render necessary assistance to the private sector and the cooperatives to do so, and after these are accomplished, iv) hold multiparty democratic general elections (cited in Guyot, 1991, p. 205). The general Saw Maung also noted that the Tatmadaw "would continue to carry out... national defense ... and the maintenance of law and order after handing over power to the government that emerges after the free and fair general elections," but long-term improvements in health, education, and other social activities would be carried out by that elected government' (ibid.).
leaders of dissidents were employed as technique to quell the protests. Aung San Suu Kyi was placed under house arrest on 20 July 1989 for criticising the military’s repressive measures and denouncing the State Law and Order Restoration Council regime. Tin Oo was sentenced to hard labour and Min Mo Naing, the most prominent leader of the All Burma Federation of Students’ Union was arrested. Several other student leaders who defied the State Law and Order Restoration Council were arrested or force to go underground. The former prime minister U Nu was also put under house arrest for not agreeing to disband the parallel government he had established in 1988 (Langpoklakpam, 2006, p. 88).

Soon after taking over power, Saw Maung announced the regime’s willingness to go ahead with Ne Win’s earlier promise of a multi-party political system. On 22 September 1988, four days after the military takeover the Secretary-1 of the State Law and Order Restoration Council, Brigadier General Khin Nyunt said that “the Tatmadaw would systematically transfer power to the party which comes into power after successfully holding the general elections” (Maung Aung Myoe, 2007). General Saw Maung reaffirmed the pledge for election on 27 March 1989 on the Armed Forces Day saying that “after the election the Pyithu Hluttaw representatives elected by the people will form a government in accordance with the law… We, the Tatmadaw personnel, will go back to barracks” (ibid.). The goal of the election was declared to create a democratically elected parliament through the multi-party election (Weller, 1993, p. 10, cited in Langpoklakpam, 2006, p. 89). The military also felt the needs of a new constitution for the transfer of power. The junta hinted that the new constitution would be drafted by the people’s representatives.

The election was later scheduled to be held on 27 March 1990. General Saw Maung asked the political parties to get registered with the election Commission for a multi-party election. Aung San Suu Kyi and his associates announced formation of National League for Democracy (NLD) on 24 September 1989 and eventually it became the de facto leader of the movement for democracy and human rights in Myanmar. Later Aung Gyi dissociated from the National League for Democracy alleging that Aung San Suu Kyi had linked herself with supporters of the Communist Party of Burma and others from the political left and then he formed his own party the
The National Unity Party (NUP) emerged as the successor party of the former Burma Socialist Programme Party. Though the State Law and Order Restoration Council took pains to deny it favouring the National Unity Party, the party was a protégé of the military junta. U Nu formed the League for Democracy and Peace (LDP) and registered the party with the election commission. Within a week, more than two hundred political parties registered with the election commission, but by election day many political parties were declared disqualified and only 93 parties actually contested the election. While it indicated the people's love for independent organisations and responsible government, it also showed political factionalism and lack of unity among the supporters of democracy in Myanmar.

The election was held on the day it was fixed, that is, on 27 May 1990. Despite the various constraints put on electioneering and other vote canvassing activities for the opposition parties, the casting of votes and counting activities were undertaken in free and fair manner. The outcome of the election was unexpected and it surprised many. The National League for Democracy registered a resounding victory fielding 447 candidates and securing 392 seats out of the 485 seats contested to the Pyithu Hluttaw or National Assembly (Tonkin, 2007, p. 34). This was besides the fact that Aung San Suu Kyi was under house arrest during the election. According to the results of the election, the nearest rival of the National League for Democracy was the military-backed party the National Unity Party which fielded 413 candidates but it could win only 10 seats (ibid.). The Union National Democracy Party of Aung Gyi won only one seat, whereas the League for Democracy and Peace of U Nu went empty-handed though it fielded 309 candidates. The remaining seats were won by independents and many other ethnic or regional parties. In term of percentage, the National League for Democracy got 80.82 percent of the seats, whereas the National Unity Party got only 2.01 percent. A statistical representation of the election result is given in Table 7.
Table 7: Statistical Presentation of Result of Elections held on 27 May 1990

<table>
<thead>
<tr>
<th>Political Parties</th>
<th>No. of Seats</th>
<th>% of Contested</th>
<th>No. of Valid Votes</th>
<th>% of Valid Votes Cast</th>
</tr>
</thead>
<tbody>
<tr>
<td>National League for Democracy</td>
<td>392</td>
<td>80.82</td>
<td>7,934,622</td>
<td>59.87</td>
</tr>
<tr>
<td>Shan Nationalities League for Democracy</td>
<td>23</td>
<td>4.74</td>
<td>222,821</td>
<td>1.68</td>
</tr>
<tr>
<td>Arakan League for Democracy</td>
<td>11</td>
<td>2.27</td>
<td>160,783</td>
<td>1.21</td>
</tr>
<tr>
<td>National Unity Party</td>
<td>10</td>
<td>2.06</td>
<td>2,805,559</td>
<td>21.116</td>
</tr>
<tr>
<td>Mon Democratic Front</td>
<td>5</td>
<td>1.03</td>
<td>138,572</td>
<td>1.05</td>
</tr>
<tr>
<td>Miscellaneous parties and independents</td>
<td>55</td>
<td>11.35</td>
<td>2,152,032</td>
<td>16.24</td>
</tr>
</tbody>
</table>

Source: Tonkin (2007)

The unprecedented result of the elections testified that the elections were conducted in a free and fair manner, unless the National League for Democracy would win so clearly and the military backed National Unity Party would lose so badly. It allowed foreign diplomats and foreign press to report on the elections (Haseman, 1993, p. 22). According to Guyot (1991, p. 209), the junta allowed about thirty foreign journalists to observe the conduct of election but journalist from the United Kingdom and the United States were not given such opportunity.

Why was the military failed so badly in the elections? It seems that the military was overconfident of its success in the election. By conducting free and fair elections and eventually winning the election the junta contemplated to obtain internal and external legitimacy. However the military was startled by the result of the
election. In fact the isolationist and repressive politics of the military had left them unaware of the growing anti-military moods and pro-democracy sentiments in Myanmar. The impact of policies and actions of the government could not reach to the government due to dysfunctional feedback mechanism of the government. People were irritated by the stifling atmosphere. The electoral outcome reflected popular discontentment with the military government and the respect the people had for the Aung San Suu Kyi as well as their overwhelming support for a responsible government in Myanmar. They had faith in Aung San Suu Kyi for bringing about such a political system.

The presence of the charismatic leadership of Aung San Suu Kyi and her being the only daughter of Aung San was significant. It rendered the National League for Democracy led by Aung San Suu Kyi the natural choice for many voters. In this backdrop, the voting could reasonably be interpreted as a referendum to ascertain popular choice between democracy represented by Aung San Suu Kyi and her party National League for Democracy on the one hand and continuation of the despotic military rule on the other.\textsuperscript{97} Certainly Aung San Suu Kyi as direct lineage of Aung San and her ability to connect the masses was certainly more appealing than the military leadership whose image was greatly suffered due to prolong misrule, economic deterioration and political isolation and repression.

Unfortunately the mandate of the people was not respected by the State Law and Order Restoration Council. It refused to step down. The junta was completely unprepared for the result. Unexpectedly the military junta found its corporate interests and individual security of the military leaders in stake in case it had transferred power in favour of a democratic regime. The so called ‘Nuremberg syndrome’ and fear of vindictive retaliation for the past atrocities and misdeeds hunted the mind of the military leaders (Langpoklakpam, 2006, p. 98). Closely connected to it was the absent of institutional structure that could become foundation of a responsible government granting their safety. Steadily there was erosion of military’s intention of transferring power. It was convinced that constituting a managed political transition was the only

\textsuperscript{97} According to Tonkin (2007, p. 35), the voting could be interpreted 78.94% [475 seats] in favour of fully democratic government and 21.06% [10 seats] in favour of power-sharing with the military.
right choice where position of the military as institution of power and the safety of its leaders would be protected in the political structure.

Instead of transferring power to the elected representatives of the people, the military regime completely reneged on its promise by refusing to vacate power. It declared that the election was not for a parliament, but for a body to draw up a new constitution. Saw Maung declared on few days after the election result that the military would not transfer power until a government had been formed in accordance with the law (Khosla, 1998, p. 1655). He further stated that the military had the responsibility to enforce the rule of law and order and regional peace and tranquillity which, it expected, could be undertaken only by the military. The State Law and Order Restoration Council also stated that it would continue to occupy all the legislative, executive and judicial power of the state until a new constitution was drafted. 

The junta made its stand clear that it would not be moved by force and it was following its own time-table and systematic transfer of power to a government legally constituted on the basis of a new constitution. There was an understanding that between the State Law and Order Restoration Council and the National League for Democracy that constitution became a sin quo non for any de jure government. Yet there was conflict of priority. The National League for Democracy insisted that transfer of power to the elected representative must be affected soon and subsequently it would draft the constitution. The State Law and Order Restoration Council held that

98 The importance and necessity of a constitution for the transfer of power was clearly spelled out in more detail at press conference held on 9 June 1989. The State Law and Order Restoration Council spokesman said: "It has been said that power will be transferred to the government that will come into being in accordance with the law after the elections are held. Power could not be handed over immediately after the elections are held as government will have to be formed on the basis of a constitution. If power will be transferred hastily [without a proper procedure], it would lead to a shaky and weak government; any rational person can understand it. Only if the power is transferred to a government formed systematically on a basis of a constitution, will the government to be constituted be stable. We have two constitutions at present, namely the 1947 constitution and the 1974 constitution. If the Hluttaw members unanimously selected one of the two constitutions and formed a government then, power would be transferred to them. We are ready to transfer power to the government formed in accordance with the constitution. If both the constitutions are not acceptable, a new one should be written. The Tatmadaw will not draw up a new constitution. The SLORC will not do it either. The representatives elected are to draw it; if the people approve the constitution then power will be transferred to the government which emerged according to that new constitution" (quoted in Maung Aung Myoe, 2007).
power cannot be transferred without a constitutional basis.\textsuperscript{99} Thus there arose conflict of interest between them. The motive of the junta was very clear. It had not prepared to transfer power unless the institutional dominance and individual safety of the leaders of the military was not guaranteed. Presenting its motive in a very polished form, it justified that it was in search of a constitution for the systematic transfer of power in accordance with the law. The constitution of 2008 and the government of Thein Sein marked the end of the military’s proclaimed systematic transfer of power because it had insured military’s core interests. In search of such a constitution and political system, the junta did not tolerate oppositions and it had been military’s long-term policy to crush and subdue the leaders opposing its road-map.\textsuperscript{100}

The international community strongly condemned the State Law and Order Restoration Council for refusing to recognise the election results and not allowing the elected representatives to convene a national assembly. The United Nations General Assembly (UNGA) passed successive annual Resolutions in the Third Committee on Human Right Questions on Myanmar condemning the military and demanding respect of people’s will and restoration of democracy in the country (Tonkin, 2007, p. 36). The legitimacy of the military regime was severely denied by the internal and external opponents. The elections of the 1990 and the landslide victory it got secured the National League for Democracy a mystic sanctity in the eyes of the western countries and it obtained political legitimacy and representative will of the people. It was indeed a hard-time for the military State Law and Order Restoration Council to justify its existence. Its refusal to recognise the election result and restore democracy and the violations of human rights became targets of western critics which now had comparatively easier access in Myanmar following the ideological shift and relaxation of isolationism aftermath Ne Win era. To the world community the State Law and Order Restoration Council had violated norms of international parliamentary conventions and had not respected human rights of the people. Internally the National

\textsuperscript{99} The State Law and Order Restoration Council rejected both the constitution of 1947 and 1974 as the basis of a new political system. The constitution of 1947 was unacceptable for the secessionist clause, whereas the constitution of 1974 was a one-party socialist state constitution which was inappropriate to deal with the system of multi-party parliamentary democracy (Maung Aung Myoe, 2007).

\textsuperscript{100} Alamgir (1997, p. 345) also pointed out that the State Law and Order Restoration Council after the refusal to recognise the right of the National League for Democracy pursued a two-pronged strategy – i) to delay as far as possible the transfer of power in search of a constitution, and ii) to crush the leaders of oppositions to the extent that they either gave up or were subdued.
League for Democracy turned out to be a potent opposition force revolving around the “iconic, charismatic and cosmopolitan personality” of Aung San Suu Kyi. The claim of legitimacy and conflict of interests had drawn a battle between the State Law and Order Restoration Council and the National League for Democracy that stretched too long.

It may be mentioned in this context that with the coming of the State Law and Order Restoration Council in 1988 Myanmar entered a new ideological era under which isolationism of the Ne Win era was seen less magnified. The State Law and Order Restoration Council had initiated policy of ‘perestroika’ and ‘glasnost’ in the Soviet sense in internal and external politics. It brought the country under unprecedented external attention over the ruthless suppression of the peoples’ movement for a responsible regime, human right violations and the grim humanitarian condition inside the country. At that point, state sovereignty and institutional legitimacy of the State Law and Order Restoration Council were severely denied. To quell the challenges and threats became paramount for the military. Apart from employing military tactics, such as violent repression, arrest and intimidation, the junta also employed practice of propagating pro-military slogans, propaganda, publications and speech glorifying their role and to remind the people of their duties daily. It propagated Myanmar as unique and distinctive country in the world. Simultaneously threat perceptions emanating from outside which it alleged to have connection with tainted elements within the country were vigorously employed. The military thus constructed a conspiracy theory in dealing with the 1988 popular demonstrations alleging that the popular revolution was a clever plot by the Communist Party of Burma and the U. S Central Intelligence Agency (CIA) to destabilise the country, and that they controlled the National League for Democracy of Aung San Suu Kyi (Guyot and Badgley, 1990, p. 189). The general Khin Nyunt’s book on the Communist Party of Burma-Central Intelligence Agency conspiracy entitled as the “Widespread Conspiracy by Communist Party of Burma and by Underground Elements to Destabilize and Take Over State Power” was largely said to be sold all of its 100,000 copies. Similarly General Saw Maung propagated the idea that foreign news agencies such as British Broadcasting Corporation (BBC), Voice of America (VOA) and All India Radio (AIR) were broadcasting ‘lies’ to cause unrest
and instability in the book “Skyful of Lies: Their Broadcasts and Rebuttals to Disinformation” (ibid.). In the “The Conspiracy of Treasonous Minions within the Union of Myanmar and Traitorous Cohorts Abroad” mentioned the Myanmarese exiles, foreign embassies and foreign journalists as the traitorous cohort (Wakeman and San San Tin, 2009, p. 147).

To propagate cultural distinctiveness and to infuse spirit of national pride, the name of the country was officially changed as “Myanma Naingngan” (Union of Myanmar) on 18 June 1989. With the same spirit, the junta changed name of many places and rivers. Thus Rangoon became Yangon, the Irrawaddy River became the Ayeyawaddy, Pagan changed to Bagan, Pegu to Bago, Sandoway to Thandwe. Official political slogans and posters appeared overnight on walls, billboards and in the mouthpiece of the military “The Working People Daily” fortifying the message that “Only the army is mother and father to the people” (ibid., pp. 138-39). All nationalities of the Union were urged to give all co-operations and assistance in the efforts of the military regime which was lucidly discoursed by the junta as ‘three main national causes’, ‘People’s Desire’ and other national goals (see Figure 3).102

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**Figure 3: National Objectives and People’s Desire under the Military Regime (SLORC/SPDC)**

**Our Three Main National Causes**
- Non-disintegration of the Union
- Non-disintegration of National Solidarity
- Consolidation of National Sovereignty

**People’s Desires**
- Oppose those relying on external elements, acting as stooges, holding negative views
- Oppose those trying to jeopardize stability of the state and progress of the nation
- Oppose foreign nationals interfering in internal affairs of the state
- Crush all internal and external destructive elements as the common enemy

**Four political objectives:**
- Stability of the State, community peace and tranquillity, prevalence of law and order
- National reconsolidation
- Emergence of a new enduring State Constitution

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102 In this context, the term military junta denotes both the State Law and Order Restoration Council from 1989 to 1997 and its successor the State Peace and Development Council since 1997. The junta’s the ‘three main national causes’ first appeared in the State Law and Order Restoration Council Declaration No. 1/90 of 27 July 1990.
Building of a new modern developed nation in accord with the new State Constitution.

Four economic objectives:
- Development of agriculture as the base and all-round development of other sectors of the economy as well
- Proper evolution of the market-oriented economic system
- Development of the economy inviting participation in terms of technical know-how and investments from sources inside the country and abroad
- The initiative to shape the national economy must be kept in the hands of the state and the national peoples.

Four social objectives:
- Uplift of the moral and morality of the entire nation
- Uplift of national prestige and integrity and preservation and safeguarding of cultural heritage and national character
- Uplift of dynamism of patriotic spirit
- Uplift of health, fitness and education standards of the entire nation


These statements were produced on a daily basis on the front page of the regime’s media outlets and a number of other publications of the government.

After the thumping electoral victory, the National League for Democracy continued to ask the State Law and Order Restoration Council to convene the Pyithu Hluttaw (parliament) and to transfer power. When the authority paid lukewarm response to its demands, the National League for Democracy attempted to arrange the transfer of power on its own by drafting an interim constitution and attempting to convene a parliament of elected representatives (Maung Aung Myoe, 2007). Anticipating assertive mood of the National League for Democracy, the military government hurriedly issued an infamous Notification No. 1/90 on 27 July 1990 which among other stated that - i) the State Law and Order Restoration Council was a military government exercising all legislative, executive and judicial powers of the state, ii) it had not observed any constitution and the representatives elected by the people had the responsibility to draw up constitution of the future democratic state, iii) yet the constitution must be draw up in accordance with law and it would not tolerate provocative and illegal acts, and iv) in the interim period before a government was formed on the basis of a new constitution, the State Law and Order Restoration Council would continue to rule to defend, safeguard and develop the country.103 To its western critics the document announced that the State Law and Order Restoration

103 The text of the Notification No. 1/90 of the SLORC is available at: http://burmalibrary.org/docs/Declaration_1-90.htm
Council government had been recognised by the United Nations and the respective nations of the world and that it followed an independent foreign policy and since it had not interfere in the internal affairs of other countries it expected the other countries to reciprocate the same. The notification implied the State Law and Order Restoration Council’s intention to follow a managed political transition process. It reiterated what General Saw Maung and General Khin Nyunt had said after the election on 30 May 1990 and 13 July 1990 respectively that it was following a transition according to law and no act of intolerance would be allowed.  

With popular mandate and external sympathy to its credit, the National League for Democracy was unhindered by the warning of the State Law and Order Restoration Council. It called an assembly of the party leaders and elected representatives of the people on 28 July 1990. It presented a draft “1990 Provisional Constitution” which was a revised version of constitution of 1947. The following day the National League for Democracy issued the Gandhi Hall declaration which called upon the State Law and Order Restoration Council to convene the Pyithu Hluttaw in September 1990, transfer power to the National League for Democracy in accordance with the interim constitution prepared by the National League for Democracy and the right of the elected representatives to draft the new constitution (Maung Aung Myoe, 2007). It also asked for freedom of expression and to release its leaders and members from house arrest and prison.

The declaration of the State Law and Order Restoration Council and the National League for Democracy contained conflicting contents and consequently the relation between the two became confrontational. This set the course for Myanmar’s political crisis and breakdown of political transition for the next two decades. As

104 General Saw Maung said three days after the General Elections on 30 May 1990: “If someone asks us if our duties are over, we must say no, they are not over. Our duties will not be over until a government has been formed in accordance with the law. It is necessary to understand that we will bear the responsibility of enforcing the rule of law and order and regional peace and tranquillity” (quoted in Tonkin 2007, p. 45). Similarly General Khin Nyunt asserted:”If a political party convenes a parliament and forms a government according to its own wishes, then such a government can only be a parallel government. If that happens, the SLORC Government, which is a legal government, will not look on with folded arms. Representatives from political parties which are to build a new democratic state must consult among themselves on a new constitution stage by stage” (quoted in ibid. p. 46).

105 The text of the so called Gandhi Hall declaration of the NLD is available at: http://www.ibiblio.org/obl/docs/Elections-04.htm
expected, soon the State Law and Order Restoration Council resorted to security clamp-down. Many elected representatives were arrested and dozen of them fled to insurgent controlled territories. Subsequently the fled group established a National Coalition Government of the Union of Burma (NCGUB) on 18 December 1990 at Manerplaw in Karen State on the Thai-Burmese border (Tonkin, 2007, p.36). Later the National Coalition Government of the Union of Burma went into exile. The National League for Democracy though unwillingly but officially dissociated itself from the National Coalition Government of the Union of Burma and maintained its legal presence in Rangoon (ibid.). Finally under pressure the National League for Democracy consented to take part in a State Law and Order Restoration Council sponsored constitution drafting process on 27 October 1990. Next year Aung San Suu Kyi was awarded the Nobel Peace Prize for her outstanding non-violent and unyielding struggle for freedom, democracy and human dignity in Myanmar. Amidst such developments, the State Law and Order Restoration Council effected a change in leadership. On 23 April 1992 the regime replaced General Saw Maung with General Than Shwe as Chairman of State Law and Order Restoration Council because the former had allegedly suffered a nervous breakdown or some other mental illness toward the end of 1991. Many of his speeches were almost incoherent.

Under Than Shwe, the State Law and Order Restoration Council’s self-righteous political transition process began to take concrete shape. After taking over power, Than Shwe ended the martial law on 26 September 1992 which had been imposed one week after the military coup of September 1988. He released some political prisoners, relaxed some of the restrictions on Aung San Suu Kyi’s house arrest and announced plan to draft a new constitution for the transfer of power. In spite of this, political repression continued as a long-term strategy and State Law and Order Restoration Council compiled one of the worst civil and human rights records in the world. Throughout 1990s the State Law and Order Restoration Council and its successor the State Peace and Development Council (SPDC) since 1997 to 2011 continued repression and arrest of National League for Democracy members and other opponents of the regime.
General Than Shwe attempted to initiate concrete procedural basis to establish a *de jure* military government in civilian cohorts. The first significant initiative towards it was the establishment of a National Convention on 9 January 1993 which was charged with the task devising principles for drafting a new constitution. It was instructed to the National Convention that the principles must be in accordance with the following objectives - i) non-disintegration of the Union, ii) non-disintegration of national solidarity, iii) consolidation and perpetuation of sovereignty, iv) emergence of a genuine multi-party democratic system, v) development of eternal principles of justice, liberty and equality in the State, and vi) participation of the Tatmadaw in the leading role of national politics in the future (Maung Aung Myoe, 2007). With much criticism on the guiding principle that asked to ensure ‘participation of the Tatmadaw in the leading role of national politics in the future’ the National Convention started functioning as a step towards a new constitution for transfer of power.

The National Convention started discussing new constitutional framework. It is to be mentioned here that the National Convention had 702 numbers of delegates which were of eight different categories. Of the total number of delegates, 49 were selected by the 10 political parties at the time of convening the National Convention remaining after the 1990 elections, 106 were elected representatives of the people and the remainder of the delegates consisting of six other categories were chosen by State Law and Order Restoration Council. The National League for Democracy represented 89 of the 106 delegates from the category of elected representatives which meant the National League for Democracy, despite winning a little more than 80 per cent of the seats in the 1990 general elections, comprise only about 15 per cent of the 702 delegates and hence it constituted only a minority in the convention. In other words the structure of delegates of the National Convention did not reflect the outcome of the 1990 elections.

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107 This data is available at: http://www.ibiblio.org/obl/docs/Elections-04.htm

108 This data is available at: http://www.ibiblio.org/obl/docs/Elections-04.htm
The National Convention of the State Law and Order Restoration Council started functioning to discuss the constitutional questions with majority of its members hand-picked by the military. It met sporadically for three years and four months until it was suspended in April 1996. The legitimacy of the National Convention was severely damaged due to several delegates declared the process a sham and the National League for Democracy boycotted it in November 1995. Aung San Suu Kyi was released from the unlawful house arrest on the condition that she must not leave beyond Rangoon. After her release, she announced that the National Convention was unlikely to restore democracy in the country and the National League for Democracy was withdrawing from the convention. The State Law and Order Restoration Council retaliated immediately by expelling the National League for Democracy members from the National Convention on the ground of breach of discipline. Many ethnic representatives also found their demand for a federal system rejected by the government. All these prompted the State Law and Order Restoration Council to suspend the constitution drafting process. For eight years the National Convention remained suspended until it was reconvened in May-July 2004. During the intervening period between 1996 and 2004, the convention’s steering committee met frequently for deliberation on constitutional matters (Holliday, 2008, p. 1046). After several rounds of sporadic sessions in the following years, the National Convention finally announced its work completed and the constitution was presented for referendum in 2008.

Meanwhile withstanding both internal and external pressure for handing over power and to rejuvenate its position, the State Law and Order Restoration Council changed into State Peace and Development Council (SPDC) on 15 November 1997. The State Peace and Development Council government promoted younger and more loyal elements into the leadership position, but it continued to be headed by top officials of the State Law and Order Restoration Council government. The State Peace and Development Council continued to function in the same line and spirit of the State Law and Order Restoration Council regime. Both the State Law and Order Restoration Council and then the State Peace and Development Council continued to employ repression, propaganda and other like tactics to marginalise and discredit the National League for Democracy and other opponents of the regime and to ensure
legitimacy to the military in the national politics. Many elected representatives mostly National League for Democracy members were subjected to imprisonment and harassments. By 1999 of the National League for Democracy parliamentarians, 26 had died, 38 were disqualified under the election law, 82 resigned, 95 cancelled for breach of law and 22 became independents (Seekins, 2000, p. 19).

The military government trumpeted ultra-nationalist approach proclaiming that Myanmar had a unique place in the human history. For instance the then intelligence Chief General Khin Nyunt proclaimed that the Myanmarese were not visitors from far away land and settled in Myanmar instead they had always been in Myanmar (cited in Lintner, 2004, p. 187). He even claimed that the entire human races actually originated what is now Myanmar. The military government attempted to malign Aung San Suu Kyi’s image and prestige by constant attacks on her in the state-controlled media (Houtman, 1999, pp. 28-32). Conversely the military glorified role of the military and portraying itself to be representing ‘People’s Desires” as depicted in the Figure 3.

The military government also employed state sponsored organisations, such as Union Solidarity and Development Association (USDA) to woo the masses and broaden the regime’s base of support and to weaken the movement for democracy. Similarly the military government attempted to keep its opponents divided and weak. The ceasefire policy of the military which was the brain-child of General Khin Nyunt was significant measure in this direction. The policy not only created rift and misunderstanding among the insurgent groups, but also curbed activities of the pro-democracy activists who fled in border areas. Besides, opportunity or possibility for a united opposition was denied. All these certainly strengthened military’s position in the political system despite the jolt it received in 1988. Nevertheless insurgency movement continues even today. Two tables showing the ceasefire agreement between the military regime and the ethnic insurgent organisations are given in Table 8 and 9.

109 It may be mentioned here that since 1989 the State Law and Order Restoration Council sponsored politically motivated archaeological research programmes. On 31 May 1989 it formed the ‘Committee for the Compilation of Authentic Data on Myanmar history’ to rewrite Myanmar’s history to suit their policies (Lintner, 2003, p. 187). By fostering such research the military junta sought glorification of their legitimacy and position.
Table 8: Main Ceasefire Groups in Myanmar

<table>
<thead>
<tr>
<th>Name of Organisation</th>
<th>Leader</th>
<th>Date of Ceasefire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar National Democracy Alliance Army (Kokang) (MNDAA)</td>
<td>Phone Kyar Shin</td>
<td>21 Mar 1989</td>
</tr>
<tr>
<td>United Wa State Army (UWSA)</td>
<td>Pa o Yuchang</td>
<td>9 May 1989</td>
</tr>
<tr>
<td>National Democratic Alliance Army (Shan/Akha) (NDAA)</td>
<td>Sai Lin/Lin Ming Xian</td>
<td>30 June 1989</td>
</tr>
<tr>
<td>Shan State Army (Shan State Progress Party) (SSA)</td>
<td>Hso Ten</td>
<td>2 September 1989</td>
</tr>
<tr>
<td>New Democratic Army-Kachin (NDA-K)</td>
<td>Sakhone Ting Ying</td>
<td>15 December 1989</td>
</tr>
<tr>
<td>Kachin Defence Army (ex-KIO 4th Brigade) (KDA)</td>
<td>Matu Naw</td>
<td>13 January 1991</td>
</tr>
<tr>
<td>Palaung State Liberation Army (PSLA)</td>
<td>Aik Mone</td>
<td>21 April 1991 (Disarmed in April 2005)</td>
</tr>
<tr>
<td>Kayan National Guard (ex-KNLP) (KNG)</td>
<td>Htay Ko</td>
<td>27 February 1992</td>
</tr>
<tr>
<td>Kachin Independence Organisation (KIO)</td>
<td>Zawng Kra</td>
<td>1 October 1993</td>
</tr>
<tr>
<td>Karenni State Nationalities Peoples’ Liberation Front (KNPLF)</td>
<td>Htun Kyaw</td>
<td>9 May 1994</td>
</tr>
<tr>
<td>Kayan New Land Party (KNLP)</td>
<td>--</td>
<td>26 July 1994</td>
</tr>
<tr>
<td>Shan State Nationalities Peoples’ Liberation Organisation (SSNPLO)</td>
<td>Tha Kalei</td>
<td>9 October*</td>
</tr>
<tr>
<td>Shan State National Army (SSNA)</td>
<td>Hso Ten</td>
<td>1995**</td>
</tr>
<tr>
<td>New Mon State Party (NMSP)</td>
<td>Nai Htaw Mon</td>
<td>29 June 1995</td>
</tr>
</tbody>
</table>

Source: South (2008, pp. 122-23)
*split into two factions into two factions in October 2005 under Tha Kalei and Chit Maung
**In April 1995 some units joined the SSA-South and resumed armed conflict while others were disarmed.

Table 9: Other Ceasefire Organisations (not officially listed by Government)

<table>
<thead>
<tr>
<th>Name of Organisation</th>
<th>Leader</th>
<th>Date of Ceasefire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democratic Karen Buddhist Army (ex-KNU) (DKBA)</td>
<td>Tha Htoo Kyaw</td>
<td>December 1994</td>
</tr>
<tr>
<td>Homong Region Development and Welfare Group/ Shan State South Army (ex-Mong Tai Army) (SSSA)</td>
<td>Maha Ja</td>
<td>1996</td>
</tr>
<tr>
<td>Shwepyi Aye Group (ex-MTA)</td>
<td>--</td>
<td>1996</td>
</tr>
<tr>
<td>Manpan Peoples Militia (ex-MTA)</td>
<td>--</td>
<td>1996</td>
</tr>
<tr>
<td>Karen People Force (Hongthayaw Special Region Group:ex-KNU) (KPF)</td>
<td>Saw Tha Mu Hei</td>
<td>24 February 1997</td>
</tr>
<tr>
<td>Rakhine State All National Races Solidarity Party (CPB Arakan State) (CPB-A)</td>
<td>Saw Tun Oo</td>
<td>6 April 1997</td>
</tr>
<tr>
<td>Mon Army Mergui District (ex-NMSP) (MAMD)</td>
<td>Nai Ong Suik Heang</td>
<td>May 1997</td>
</tr>
<tr>
<td>Mon Peace Group</td>
<td>Nai Seik Chan</td>
<td>--</td>
</tr>
<tr>
<td>Thandaung North Group (ex-KNU) (TDNG)</td>
<td>Ko Kyi</td>
<td>1997</td>
</tr>
<tr>
<td>Thandaung Special Region (ex-KNU)</td>
<td>Saw Farrey Moe</td>
<td>8 November 1997</td>
</tr>
<tr>
<td>Hoya Group (ex-KNPP)</td>
<td>Koo Ree</td>
<td>1999</td>
</tr>
<tr>
<td>Karenni National Solidarity Organisation</td>
<td>Ka Ree Htoo</td>
<td>2002</td>
</tr>
</tbody>
</table>
**Economic Reforms**

It has been shown that the economy of Myanmar gradually deteriorated during the Ne Win’s policy of economic nationalism and autarchic system based on the ‘Burmese Way to Socialism’. Some policy revision and liberalisation measures were undertaken in 1970s and early 1980s, but the general condition of the economy could not be improved. Myanmar became a least developed country in 1987. The popular hardship with the economic and political deterioration had given rise to nation-wide anti-government protests in August in 1988 which eventually led to a change of government by a coup under a military body called the State Law and Order Restoration Council. The economy was clearly in need of grand revision. At this juncture, Myanmar abandoned the ‘Burmese Way to Socialism’, instead followed the path of China under Deng Xiaoping by embarking on a transition to more liberalised economic system while politically continuing the hold of junta on power (Khin Maung Kyi et al 2000:12).

The State Law and Order Restoration Council adopted an opened economy and engagement of the international community. The transition began with a series of open door policies and economic reform measures. The economic reforms opened up foreign investment, decontrolled price, trade, banking and private business along with many institutional and legal reforms in support (see Table 10).

<table>
<thead>
<tr>
<th>Year</th>
<th>Important Reform Measures Undertaken</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>- introduction of Myanmar Investment Law</td>
</tr>
</tbody>
</table>
| 1989 | - decontrol of prices  
- revocation of the 1965 law that established the socialist economic system  
- regularization of border trade  
- introduction of State-Owned Economic Enterprise law delineating the scope of the state sector |
The ‘Law of Establishment of Socialist Economy (1965)’ which was the backbone of ‘Burmese Way to Socialism’ was revoked in 1989. It may be mentioned here that the economic reforms were initiated in the backdrop of international economic sanctions, boycotts of trade and condemnations in the wake of the barbaric crackdown and killing of unarmed protestors in August 1988 by the junta. It came at a time when “Burma’s foreign exchange reserves stood at probably less than US$ 15million after the military takeover, foreign aid had been cut off, and exports were down to minimum” (Lintner, 1999, p. 357). Myanmar under the State Law and Order Restoration Council drastically needed money to maintain the solidarity of the army and provide essential services. The politically motivated economic policy of the junta
continued. The military hoped the economic reform measures would render prosperity to reinforce junta’s longevity.

Under the State Law and Order Restoration Council, Myanmar initiated a process of ‘double transition from underdevelopment and from socialism” (Andreff 1993, p. 515). The junta enacted the ‘Foreign Investment Law’ in November 1988. This economic reforms and liberalisation policy intended to ease inflow of foreign investments and capital into the country and it were the neighbouring countries which were given the priorities. The Thai and Malaysian firms were given first venture in form of short-term licences to fish in designated coastal waters (Guyot and Badgley, 1990, p. 191). This was followed by investment rights to other countries in sectors like logging, oil, coastal fishing and tourism (Langpoklakpam, 2006, p. 141). The State Law and Order Restoration Council sold forestry concessions to Thailand businesses allowing for logging of virgin teak forests in exchange for needed infusions of currency (Lintner, 1999, pp. 357-358). In fact the rich mineral and forest resources of the country was of immense help for the survival of the junta. Many international companies specialised in extracting mineral resources of the country were interested in Myanmar. In 1989, oil companies such as Petro-Canada, Amoco, Unocal Corp, Croft Exploration and Broken Hill Propriety signed deals with the State Law and Order Restoration Council to explore oil in Myanmar. According to O’Rourke reports, these firms paid between US$5 million and US$8 million each in signing bonus to the Burmese regime.\(^\text{110}\)

The State Law and Order Restoration Council scrapped the long-term perspective plans of the Ne Win era, instead the economy was subjected to annual and short-term plans which were aimed at export-promotion growth with particular emphasis on development of primary sector. The policy of liberalisation of agricultural sector was greatly enhanced. It may be mentioned here that in September 1987, domestic marketing reforms in the form of opening domestic trade in rice and some other items to private trade was announced. This was followed by export liberalisation in the rice trade to private sectors in 1988. While the first comprised the

abolition of compulsory delivery system and admission of private traders into agricultural trading, the second step covered the authorization of the registered private traders to export freely (Kan Zaw, 2008, p. 449). This policy got further boost in the hands of the State Law and Order Restoration Council. Both the production and net sown area increased dramatically; paddy production increased from 13,164 thousands metric tons in 1988-1989 to 30,537 metric tons in 2006-2007 (ibid.). The exportable volume of rice rose from 134,000 metric tons in 1990-1991 to 182,000 metric tons in 2004-2005 (ibid.).

The opening up of foreign trade to private enterprises was followed by legalisation and expansion of border trade with neighbours countries, hitherto an activity that was viewed as illegal under the Law of Establishment of Socialist Economic System (1965). The State Law and Order Restoration Council thus released the economy of the country from the autarchic and inward looking policy of the previous quarter century and it began to integrate with those regional and world markets willing to benefit from the opportunities the resource-rich Myanmar could provide. With western liberal democratic countries and other like-minded countries imposed strict sanctions, Myanmar moved to its immediate neighbours. The State Law and Order Restoration Council changed direction of Myanmar’s trade focus and trade with neighbouring countries especially with China and Thailand were established and it was further strengthened under the State Peace and Development Council.

Conversely the neighbouring countries also welcomed the emergence of opportunities provided by an open-door policy in Myanmar. These developments led to regionalisation of trade. Despite the sanctions imposed on Myanmar, the inflow of Official Development Assistance (ODA) and other foreign aids continued, but it was much lower for the State Law and Order Restoration Council due to sanctions imposed by democratic minded-countries for not respecting people's demands and over human right concerns. The border trade became much lucrative. With the legalisation of the trade the ability of the military junta to grant business opportunities to foreign firms in the field of exploration of natural resources was greatly enhanced. This was made possible because the State Law and Order Restoration Council had
regained access to territories near the borders which were hitherto occupied by insurgents through a combination of strategies including ceasefire, successful military offensive and bilateral official agreement with its neighbours. It may be mentioned here that during the Ne Win’s era various insurgent groups controlled access to the neighbouring countries through land. For example Communist Party of Burma controlled the Myanmar-China border, and Thailand - Myanmar border was occupied by the Karen National Union and Shan insurgents. Some rebels also established unofficial understanding with Thailand and China. These insurgent groups funded their activities by taxing the trade of smuggled goods. The Communist Party of Burma had collapsed by late 1980s. The military also signed ceasefire agreements with several other ethnic insurgents. The ceasefire and regularization of border trade enhanced fiscal base of the government, while reducing income for the Karen, the Shan and other insurgents (Guyot and Badgley, 1990, p.192; Langpoklakpam, 2006, p. 142). Although a considerable number of illegal trade occurred then and now beyond the legal one, yet many of the benefits of the illegal trade occurred to the military government at the centre.

The economic liberalisation and reforms paved the way for denationalisation of State Economic Enterprises (SEEs) and other state-controlled business enterprises, providing sizeable room for the growth of private sector industries. The ‘Myanmar Private Industrial Enterprise Law’ was introduced in 1990. In 1992 private sector banks were allowed to establish. In the latter half of 1990s, the private sector accounted for around 70 percent of industrial output and 80 percent of the industrial employment (Langpoklakpam 2006, p. 142). Besides, law promoting tourism sector was launched. The official claims and figures suggested that positive outcome of the reform measures undertaken was emerging (see Figure 4). The average growth rate of gross domestic product (GDP) at constant price for the period 1992-93 to 1995-1996 was pegged at over 8 percent.
After three years of negative growth during 1986-1987 to 1988-1989, there was surge in the gross domestic product growth rate registered as 5.4 per cent in 1989-1990 and 6.7 per cent in 1990-1991. Although the gross domestic product declined by 0.7 per cent in 1991-1992 because of devastating flood which had an adverse impact on the agricultural sector, the economy bounced backed in 1992-1993 with a growth rate of 9.7 per cent. The growth rate for the year 1993-1994 was registered 6 percent and for 1994-1995 it was 7.5 percent. However, the growth rate was again declined by 0.6 per cent in 1995-1996. The downward trend continued until 1999-2000 when the gross domestic product growth rates achieve 10.5 per cent. The slump for four consecutive years in gross domestic product growth from 1995-1996 to 1998-1999 was due to factors such as Asian financial crisis of 1997, risk of political instability, an operating environment plague by corruption and poor infrastructure and the sanctions imposed by western countries (Seekins, 2000, p. 23). Agricultural growth and the share of the private sector in the economy declined and foreign direct investment slumped due to Asian financial crisis. The period also witnessed rapid increase in the balance of trade deficit and a large net foreign debt.

which accounted about 5.4 billion US dollar (Clark, 1999, p. 774). Myanmar owed mainly to Japan more than 60 percent, 10 percent to Germany, 15 percent the World Bank and 10 percent to the Asian Development Bank (ibid.).

The military junta’s economic reforms of 1990s can be analysed here. During the 1990s, the economy was officially open up, but it found it to be an ad hoc measure and when the government found its position eroding and strength of the state declined, often harked backed its position.\(^{112}\) The economy was, in actual practice, changed to a mixed market capitalism where state retain elements of centralisation and monopoly in key sectors and at the same time allowing private sector ventures to function where vital interests of the state did not directly hampered. Also the fundamental macro-economic structuring was not followed up the initial reforms. The economy was continued to be dominated by central planning and import substitution. This was observed by Steinberg: “Myanmar is moving, hesitatingly, from state socialism to a modified state capitalism, not economic pluralism as understood in the United States” (1991, p. 735).

The most significant benefit accrued to the junta from the economic reform measures was in the field of power and patronage structure of the military. The open economic policy enabled the regime to co-opt support of the economically sound elites of the society by luring financial rewards. This development ensured great political advantages for the junta. Moreover the State Law and Order Restoration Council could muster political and diplomatic support from its neighbours by establishing political and economic alliances which in turn helped the military to consolidate its political power and gained the means to upgrade and expand its military strength. Physical and infrastructural development speeded up with the effect that physical transformation began to see in capital Yangon with financial resources and external investments from outside. The armed forces leaders mostly benefitted from the economic upturn. The military’s involvement in businesses was institutionalised, which was achieved through military enterprises, in particular the

\(^{112}\) According to Mya Maung (1997, p. 504), when the legalization of border trade was announced in December 1988, the state retained export monopolies on 16 items including four largest foreign exchange earning products (rice, teak, oil and gems); the list of banned commodities was increased to 23 in 1991 and in 1994 the list was increased to 28 items.
Union of Myanmar Economic Holdings Ltd (UMEHL) and the Myanmar Economic Corporation (MEC).\footnote{The Union of Myanmar Economic Holdings Ltd (UMEHL) was formed in 1990. It was a joint venture jointly owned by the Directorate of Defence Procurement and serving and retired military personnel. All major foreign investments are conducted through the Union of Myanmar Economic Holdings Ltd. The Myanmar Economic Corporation (MEC) is also a huge enterprise authorized to undertake a wide range of economic activities, including trading companies, agricultural produce, hotel and tourism enterprises, gem and mineral extraction, exploration, extraction and sale of petroleum and natural gas, telecommunications, and all economic enterprises which were previously government monopolies. The Myanmar Economic Corporation comes under the Ministry of Defence.}

By mid 1990s further economic growth was undermined due to the failure of the reforms policy to address poor economic indicators such as “high inflation (over 30 per cent annually in the second half of the 1990s), persistent fiscal deficit largely financed by the central bank, low saving rates (around 12 per cent of GDP), widening trade deficit, a drastic fall in foreign investment, chronic foreign exchange shortage, and a widening gap between official and free market exchange rates, inefficient SEEs, and low value-added production”, according to Tin Maung Maung Than (2000, p. 4). Lack of management skill and administrative inefficiency and infrastructural development, ever-increasing level of corruption and black marketing and high rate of military expenditure continued to affect adversely the growth of the economy (Langpoklakpam, 2006, pp. 114-115). Despite the liberalisation in many sectors of the economy, the economy continued to maintain dominant stature of the state. Economically the reform measures, in practice, posed to be short-sighted and expedient in nature. The mixed model of economy combined with central control and growth and development of a market economy instead of ensuring the best of both ended up with the worst of each. The Asian Development Bank had noted, “unless badly needed reforms are undertaken, the economy will continue to depend heavily on ad hoc policies rather than carefully considered and far reaching ones” (ADB, 2000, p. 106). Undoubtedly, for the military regime, the economy was a means to maintain political power and social control. In distributive field also, the benefits of the economic reform measures were very unevenly distributed. The gap between the rich and the poor greatly widened. Another concern was the extensive Chinese influence on the country. Myanmar was gradually falling into the Chinese sphere of influence.
Myanmar entered new millennium completing forty-eight years of military rule. Despite most of the democratic countries of the world and also the European Union continued to impose economic sanctions on Myanmar, proliferation of foreign economic ventures continued in strategic and natural resources, such as natural gas, petroleum and timber. Particularly Myanmar strengthened its economic relations with the neighbouring countries and its Association of Southeast Asian Nations colleagues.\textsuperscript{114} Foreign Trade and investment inflows in oil and gas sectors and other natural resources from the neighbouring countries and other interested business firms significantly contributed in strengthening foreign exchange inflow into the country. For example export of natural gas to Thailand from offshore field in the Andaman sea directly contributed to steady built up in foreign exchange reserves (Rieffell, 2010, p.10). Consequently Myanmar’s foreign exchange reserves rose from $200 million at the end of 2000 to around $5 billion at the end of 2009 (ibid.).

In terms of gross domestic product growth, the country has registered credible growth rate for the last twelve years. However, the exceptionally high and politicised GDP growth rate was associated by embarrassingly poor social and economic situations (U Myint, 2008, pp. 55-56). The faulty economic policies, corruption and lack of pro-active attention in health, education and social sectors continued to affect economic well-being of the common people. The fruits of economic development were pocketed by the military leaders and a major share of the gross domestic product went into military modernisation programmes leaving insufficient amounts to be invested in much needed health, education and social sectors. It was reported that in the marriage of Than Shwe’s daughter with an army major, the couple got wedding gift no less than 50 million US dollars\textsuperscript{115}. People were shocked to see the extravagance of the wedding and asked themselves where the money came from in a country that spends less than one dollar per person per year on health and education combined\textsuperscript{116}.

\textsuperscript{114} Myanmar became a member of Association of Southeast Asian Nations in 1997.
\textsuperscript{116} Johns Hopkins Bloomberg School of Public Health, Centre for Public Health and Human Rights, Department of Epidemiology, Responding to AIDS, TB, Malaria and Emerging Infectious Diseases in
In the November 2005, suddenly Than Shwe moved the capital of the country from Rangoon to Naypyitaw about 400 km far away from Rangoon. The capital shift was largely motivated by political factors. The site of the new capital proved beneficial to the military as it was unaffected by the 2007 mass protests popularly known as “saffron revolution” and devastation of the cyclone Nargis in May 2008. The details of the financial costs for Naypyitaw remained to be unclear, but it was economically untimely and sapped people’s much needed resources. The economic effect of the decision proved ill and it was reported that the new capital cost an estimated $4-5 billion to build, meanwhile the regime spent less than half US$ 1 per person on healthcare.\textsuperscript{117} The cyclone Nargis struck and devastated the Ayeyawaddy (Irrawaddy) delta region of the country which was popularly known as the ‘rice bowl’. It was estimated that about 150,000 people fear death and about 2.5 million people were rendered homeless and in need to have shelter, clean water and food. In an extraordinary act of inhumane insensitivity the junta initially rejected initial offers of international aid. The junta politicised the international aid inflows. Subsequently it agreed to accept aid, but refused to allow foreign aid workers into the country to distribute supplies and monitor the relief efforts. Only as a result of intense diplomatic and political pressure from the UN Secretary-General, Association of Southeast Asian Nations, China and India that Than Shwe finally and grudgingly conceded limited international assistance.

The cyclone rendered Myanmar’s economy in bad shape. The economic relations of the regime with the neighbours China, India and Thailand which are more interested in regional stability and access to Myanmar’s oil and gas reserve strengthened under a policy measure of constructive engagement with more push and pull at that time. The democratic political reforms after passing the constitution of 2008 leading to the Thein Sein’s leadership had brought signs of an end to Myanmar’s economic isolation from the west as well. It is to be noted here that Myanmar had spent years in relative isolation from the United States and countries of the European


Union as a result of the sanctions they employed on Myanmar over the country’s human right violations issue. The sanctions of the United States banned investment in Myanmar and imports from the country restrict money transfers, freeze assets and target jewellery with gemstones originating in the nation.\textsuperscript{118} The European Union bans weapons sales and mineral imports (ibid.). In February 2009 U.S secretary of State Hillary Clinton acknowledged that neither sanctions by western countries nor constructive engagement by neighbours of the countries had changed the junta’s behaviour.\textsuperscript{119} The European Union sanctions were suspended in April 2012 by lifting all non-military sanctions. This was followed by the United States eased the sanctions it imposed on Myanmar in July 2012.

**Towards a Responsible Government**

By the end of 1990s the military regime had recovered from the shaky position of late 1980s. The military had greatly expanded its strength and size. The number of soldiers was increased from 180,000 in 1988 to about 300,000 by the late 1990s\textsuperscript{120} and it was further increased to about 400,000 in 2010.\textsuperscript{121} This had ensured the military to take strong action in the event of any mass protest broke out. The pro-democracy group the National League for Democracy though continued to exert pressure on government for the transfer of power, it weighted little to the government’s managed political transition process. On 16 September 1998 the National League for Democracy and allied parties formed a Committee Representing the People’s Parliament (CRPP) to act on behalf of the Parliament until a parliamentary session attended by all the elected representatives is convened (Tin Maung Maung Than, 2000). The Committee Representing the People’s Parliament was chaired by the National League for Democracy chairman U Aung Shwe. It demanded recognition of the results of the 1990, to transfer power accordingly and release of all political

prisoners. The Committee Representing the People’s Parliament had in effect created a parallel government which was difficult for the junta to tolerate and it intensified its efforts to crush the opposition’s parliament (Seekins, 2000, p. 19). The National League for Democracy was thus further marginalised from the national political process. In September 2000 Aung San Suu Kyi was again arrested and put under house arrest on the charge of trying to travel to Mandalay from Rangoon in defiance of the travel ban the State Peace and Development Council had imposed on her.

Politically the military regime had greatly tightened its grip on power in the national politics by the beginning of the new millennium. The pro-democratic forces had weakened due to continued campaigned of arrest, detention and harassment. The international community was divided on Myanmar issue and this disabled them to exert any credible and concreted leverage over the junta. The China and Russia began to allege that the United States and European Union in the name of resolving the Myanmar issue sought big power consensus on the western style democracy as the norm of international governance of the UN member states. The ruling military leaders also knew well Myanmar’s geo-strategic significance and play card accordingly between India, China and Thailand. From early 2000s, with the military government’s hold on power safely tightened, the regime was once more became willing to experiment with a more moderate approach to its policy as manifested in significant policy shifts, such as the initiation of political reconciliation process with the National League for Democracy. Meanwhile Aung San Suu Kyi was still looking forward to a meaningful dialogue with the regime. Consequently the State Peace and Development Council began holding closed-door confidence-building talks with Aung San Suu Kyi in October 2000. Aung San Suu Kyi was again freed from house arrest in May 2002. This was followed by another round of secret reconciliation talks between the State Peace and Development Council and Aung San Suu Kyi in which the UN Secretary General’s Envoy to Myanmar Razali Ismail played a leading role. However the reconciliatory attitude of the military government was motivated more by economic consideration.

122 The military regime State Law and Order Restoration Council and Aung San Suu Kyi held conciliatory dialogues in September and October 1994, but no concrete result from the dialogue could be emerged.

123 According to Ardent Maung Thawnghmung (2003, p. 175), the release of the Aung San Suu Kyi in 1995 had been the result of over-optimism by the regime due to feeling that it had sufficient control
Kyi declared that the State Peace and Development Council had no interest in restoring democracy.

The brief prospect for reconciliation through the talks between the State Peace and Development Council and the National League for Democracy represented by Aung San Suu Kyi was lost by mid 2003. The freedom granted to Aung San Suu Kyi was curbed after the Depayin accident of 30 May 2003 where a clash broke out between government supporters and the National League for Democracy members while Aung San Suu Kyi was travelling in central Myanmar. The government attributed the commotion to the unruly National League for Democracy members and their supporters, and placed Aung San Suu Kyi under so called “protective custody” (Hlaing, 2004, p. 88). The junta also detained a number of leading National League for Democracy members and ordered the closure of the office of the party throughout the country (ibid.). The junta had thus completely sidelined the National League for Democracy and Aung San Suu Kyi from the political transition process. She remained under house arrest in complete isolation. The junta restricted her from communicating to her supporters outside and there was little or no publicity about her in media and news (Langpoklakpam, 2006, p. 225). Foreign diplomats especially belonging to western liberal democracy minded countries were not allowed to meet her (ibid.). She remained under house arrest until her release in 2010.

The military regime’s democratisation process again came on track in August 2003 when General Khin Nyunt unveiled a seven point road-map claiming it would lead to “emergence of a genuine and discipline democratic system”. The road-map

over the country. However, as the writer argued her release from custody in 2002 economically motivated since the economy had been hurt by the Asian financial crisis in 1998 and by sanctions and boycotts. The State Peace and Development Council attempted to soften external pressure over Myanmar by releasing Aung San Suu Kyi. There had also been limited pressures from the members of the Association of Southeast Asian Nations and her release was seen as an effort to improve the regime’s image and to improve relationship with other countries and external organisations.

The 7-step Road Map includes: i) Reconvening of the National Convention that has been adjourned since 1996, ii) After the successful holding of the National Convention, step by step implementation of the process necessary for the emergence of a genuine and disciplined democratic state, iii) Drafting of a new constitution in accordance with basic principles and detailed basic principle laid down by the National Convention, iv) Adoption of the constitution through national referendum, v) Holding of free and fair elections for Pyithu Hluttaws (Legislative bodies) according to the new constitution, vi) Convening of Hluttaws attended by Hluttaw members in accordance with the new constitution, vii) Building a modern, developed and democratic nation by the state leaders elected by the Hluttaw; and the government and other central organs formed by the Hluttaw.
basically involved completing of a new constitution, a referendum on that constitution, a new general election on the framework of the new constitution and finally installation of a new responsible government thereafter. The military government considered it a programme based on the objective conditions in the country as well as the aspirations of the entire people (U Khin Maung Win, 2004). Like the Revolutionary Council of the Ne Win era, the military advanced a political transition process claiming it appropriate to the existing conditions and environment of the country. Two months later General Khin Nyunt who was considered to be the most pragmatic and open-minded personality in the military government was sacked. He was placed under a long term house arrest, but the road-map he unveiled remained in place and the constitutional process of transfer of power continued to unfold (Holliday, 2008, p. 1046).

The road-map was greeted with a mixture of scepticism and opposition both from the internal and external opponents of the regime. Particularly it was criticised for not providing a time-table for the completion of the process and the failure to ensure participation of the National League for Democracy and other stakeholders in the democratisation process. Despite the shortcomings and oppositions, the State Peace and Development Council government proceeded with its plan self-righteous of political transition process. Meanwhile sporadic and small-scale protests from opponents of the roadmap occurred, in particular the National League for Democracy and the ‘88 Generation Students Organisation’ provided the lead role. The 88 Generation Students activists initiated new and better organised campaign focussing more on ostensibly non-political issues and the detrimental impact of the State Peace and Development Council and its policies rather than directly challenging the regime itself (Ardeth Maung Thawnghmung and Myoe, 2008, p.13). In August 2007 the leaders of the 88 Generation Students Organisation organised a series of protests in Yangon (ibid.). Though the military attempted to disperse them through arrest and harassment, it spread to Mandalay, Sittwe, Mongwe, Pakokku, Moulmein and Pegu and in the meanwhile the Buddhists monks took the leadership role (ibid.). By mid – September, the protest had grown into rallies of 100,000 demonstrators including 10,000 monks consisting of 2 percent of the monastic population (ibid.). By October

125 The 88 Generation Students Organisation was named after the student activists in the 1988 uprising.
the demonstration and anti-regime rallies were forcefully calmed down by heavy security crackdowns. Notwithstanding it these developments further damaged legitimacy and reputation of the military. These protest movements of the masses was widely known as the ‘Saffron Revolution’. The protests were violently subdued indicating the firm determination of the military to retain its control in the so called transition to a democratic nation.

Next year the State Peace and Development Council declared it had completed a new constriction of the country. The new constitution clearly indicated that the military had been attempting to establish a political system that outwardly adhered to international norms of democracy while maintaining and entrenching military’s role in the national politics. In other words, the road-map and the constitution were supposed to pave the way for democracy. However the provisions of the new constitution which took 15 years to complete made sure that full civilian rule was not restored and military was assured of an important place in the new dispensation as well. Twenty-five percent of the seats in both Houses of Parliament and State Assemblies were reserved for the representatives of the army. Most importantly it debarred Aung San Suu Kyi whose party National League for Democracy won a thumping victory in 1990 elections from participating in politics on the ground that she married a foreigner under Article 59 (f).

The referendum on the new constitution took place on May 10, 2008, while in some areas devastated by the Cyclone Nargis, voting was postponed until May 24. National League for Democracy called a vote against the draft constitution. The process was highly flawed which was apparently confirmed by the highly implausible result in the aftermath of the devastating cyclone tragedy that the constitution was declared to have been approved by 92 percent in favour with a turnout of 98.12 percent. In the pre-referendum campaigns, the State Peace and Development Council vigorously employed propaganda tactics to canvass support for the referendum. On the one hand it glorified the role of military in nation-building and it portrayed the opponents of the military regime and the new constitutions as enemies of the state, useless citizens and under the influence of foreign nations (see Figure 5 and 6).
These developments paved the way for State Peace and Development Council announcement that elections for a “peaceful, modern, developed and disciplined-flourishing democracy” as officially depicted, would take place in November 2010.
The parliamentary election of November 2010 was meant to fill the remaining 75 percent seats of the Pyithu Hluttaw. As step leading to the election, the political parties’ regulation laws was enacted. The election laws issued ahead of the election were “unfair and undemocratic”. The State Peace and Development Council government forbid anyone convicted or serving a prison term from being a member of a party. It asked political parties to register on or before 6 May 2010 or face automatic de-recognition. Critics urged that there could not be a greater fraud on the electoral process, the sole aim of which was to keep the military junta in power. Aung San Suu Kyi and her entourages refused to register their party National League for Democracy for the election condemning the governing election laws as “unfair and unjust” and thus, lost its status as a legally registered political party. However some members of National League for Democracy who favour contesting the election formed a new party called the National Democratic Force (NDF). Except some diplomats and representatives from the United Nations, Myanmar barred foreign observers and the international media to observe the election and voting process. The military launched its own parties, such as the Union Solidarity and Development Party (USDP) and the National Unity Party (NUP) for the elections. These parties were led by the Tatmadaw official who had vacated their uniforms in favour of civilian cohorts.

For the political parties other than the military sanctioned-parties contesting the election, it was certainly not a level playing field. Only a few of the registered parties had the financial and the organisational resources to contest in a significant portion of the constituencies across the state. The final results of the elections were announced by the Myanmar Union Election Commission on 17 November 2010. As expected the military-backed Union Solidarity and Development Party won 883 out of the 1154 seats (76.5 percent of all seats). In the Union Legislature consisting of the People’s Legislature and the National Legislature the party won 78.7 percent of seats, while it won 74.9 percent in the region and state legislature. The National Union Party got the second highest number of seats by winning 63 seats (5.5 percent of all seats). The National Democratic Force won only 16 seats (1.4 percent). A table showing electoral performance of many political parties contesting in the multi-party election held in November 2010 in given below.
## Table 11: Number of Representatives Elected by Political Parties in 2010 Elections

<table>
<thead>
<tr>
<th>Political Party</th>
<th>Union Legislature*</th>
<th>Regional and State Legislature</th>
<th>Total for 2010 election</th>
<th>% in Total</th>
<th>No. of Candidates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>People’s Legislature</td>
<td>National Legislature</td>
<td>% of seats</td>
<td>No. of seats</td>
<td>% of seats</td>
</tr>
<tr>
<td>Union Solidarity and Development Party</td>
<td>259</td>
<td>129</td>
<td>78.7</td>
<td>495</td>
<td>74.9</td>
</tr>
<tr>
<td>National Unity Party</td>
<td>12</td>
<td>5</td>
<td>3.4</td>
<td>46</td>
<td>7.0</td>
</tr>
<tr>
<td>Shan Nationalities Democratic Party</td>
<td>18</td>
<td>3</td>
<td>4.3</td>
<td>36</td>
<td>5.4</td>
</tr>
<tr>
<td>Rakhine Nationalities Development Party</td>
<td>9</td>
<td>7</td>
<td>3.2</td>
<td>19</td>
<td>2.9</td>
</tr>
<tr>
<td>National Democratic Force</td>
<td>8</td>
<td>4</td>
<td>2.4</td>
<td>4</td>
<td>0.6</td>
</tr>
<tr>
<td>All Mon Region Democracy Party</td>
<td>3</td>
<td>4</td>
<td>1.4</td>
<td>9</td>
<td>1.4</td>
</tr>
<tr>
<td>Chin Progressive Party</td>
<td>2</td>
<td>4</td>
<td>1.2</td>
<td>6</td>
<td>0.9</td>
</tr>
<tr>
<td>PaO National Organisation</td>
<td>3</td>
<td>1</td>
<td>0.8</td>
<td>6</td>
<td>0.9</td>
</tr>
<tr>
<td>Phalon-Sawaw Democratic Party</td>
<td>2</td>
<td>3</td>
<td>1.0</td>
<td>4</td>
<td>0.6</td>
</tr>
<tr>
<td>Chin National Party</td>
<td>2</td>
<td>2</td>
<td>0.8</td>
<td>5</td>
<td>0.8</td>
</tr>
<tr>
<td>Wa Democratic Party</td>
<td>2</td>
<td>1</td>
<td>0.6</td>
<td>3</td>
<td>0.5</td>
</tr>
<tr>
<td>Kayin Peoples Party</td>
<td>1</td>
<td>1</td>
<td>0.4</td>
<td>4</td>
<td>0.6</td>
</tr>
<tr>
<td>Taaung(Palaung) National Party</td>
<td>1</td>
<td>1</td>
<td>0.4</td>
<td>4</td>
<td>0.6</td>
</tr>
<tr>
<td>Unity and Democratic Party</td>
<td>1</td>
<td>1</td>
<td>0.4</td>
<td>2</td>
<td>0.3</td>
</tr>
<tr>
<td>Inn National Development Party</td>
<td>1</td>
<td>0</td>
<td>0.2</td>
<td>3</td>
<td>0.5</td>
</tr>
<tr>
<td>Democratic Party</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
<td>3</td>
<td>0.5</td>
</tr>
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The election of 2010 was Myanmar’s first multi-party election in 20 years. General Than Shwe and other military officials of the State Peace and Development Council government resigned in respect of the military’s road-map to democracy. The State Peace and Development Council was dissolved. A new government of president Thein Sein took over power on 1 April 2011. The cabinet of the Thein Sein consisted of largely retired military officials and some civilians which were believed to be hand-picked by the retired State Peace and Development Council chairman General Than Shwe in a way to protect his personal, family and economic interests. The current president did not have control over his cabinet rather he presided over it which includes divergent views representing pro-military to pro-democracy elements. However Thein Sein’s government had greatly stabilised democratic institutions in Myanmar and it had opened new channels and political arena for civil society and non-military actors to engage within the state. This turned to be a great achievement in Myanmar which had been lingering on five decades of military’s isolationist ideology.

The new government have held conciliatory talks with the leaders of democracy Aung San Suu Kyi. The compromise and understanding between the two forces of reforms led to amendments in the 2010 political parties registration laws to facilitate the National League for Democracy and other political parties to participate in the political process. Consequently the National League for Democracy was

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qualified to participate in the by-election of April 2012. The National League for Democracy including Aung San Suu Kyi contested the by-election in which the party won 43 out of 45 vacant seats. The election defeat was clearly a big lesson for the military-backed and the ruling Union Solidarity and Development Party. It brought a question whether the party would be able to win a substantial number of seats in the proposed 2015 multi-party general elections if it happens to be free and fair elections. Aung San Suu Kyi had entered the Myanmarese parliament as its member. Though the National League for Democracy’s presence in the legislature was largely symbolic, it was still a potent political force in Myanmar with Aung San Suu Kyi’s iconic figure standing as torch-bearer for them. As doubted, the military’s road-map had not resulted in establishing a genuine democratic government in Myanmar. The military’s role in the political process still remained dominant. In spite of this it cannot be denied that Myanmar had achieved significant political development towards a responsible government.

The reformist zeal of the government of Thein Sein cannot be overlooked and it is unfolding. The new government had allowed freedom of association and assembly provided it did not contravene the security laws of the state. Politics was opened for the civilian and other non-military members of the society. Under the new 2008 constitution, formal separation of powers between the executive, legislative and judicial powers of the branches of the state had been created which was a historic achievement (ibid). Ceasefire agreements have been signed in late 2011 and early 2012 with rebels of the Karen and Shan ethnic groups which suggested military’s determination to end the long-running conflicts in Myanmar. The dichotomy between purely non-military government affairs and military high command and strengthening of democratic institutions were positive signs of Myanmar progressing towards a more responsible government. Yet the challenges of simmering ethnic

violence and conflict as, for instance, the violent clashes occurred between the Buddhists and Muslim Rohingya in 2012 and 2013 raised questions about the credential of the democratic institution’s commitment to equality before the law.  

Scepticism and suspicion were not totally vanished particularly given the fact that the military of Myanmar is very deceptive and secretive as well as powerful in the country. Its participation in the national politics has been legally enshrined in Article 6 (f) of the 2008 constitution. The military still occupies central place in the politics of the country. The government remained to be in the hands of active and retired officers who will protect the interests of their former colleagues and soldiers in the Tatmadaw as well as the institution’s integrity, reputation, status and economic interests if need come in future. Ethnic conflicts and ethnic movements for autonomy or independence still challenging state security and democratisation process. In fact a genuine democracy in the western sense cannot be achieved in Myanmar unless all the groups or sections of the society which needed to have a stake in the system, such as the military, political leaders, supporters of democracy, Aung San Suu Kyi and representatives of the ethnic groups are accommodated peacefully with mutual respect. Democracy and federalism lies at the heart of ending Myanmar’s political impasse.

The twenty-six years of Myanmar under isolationist political system of Ne Win had generated a strong state controlling political, economic and social aspects of the life of the Myanmarese people through regimentation. The state’s political and economic monopoly was absolute and comprehensive. Under Ne Win, isolationism was pursued as a long-term policy. Isolationism was ideologically politicised and his dogged determination to stay in power transformed the very nature and purpose of isolationist ideology.

The economy of the country was indigenised through a vigorous nationalisation policy and the country became more inward-looking and isolated. The political and economic crisis within long years of isolationism destabilised political development and economic progress and well-being of the country. Shortage of consumer goods due to mismanagement, lower production and distribution bottlenecks encouraged black market and high inflation in the economy. Though the economy was opened to some extent in 1980s by adopting a less doctrinaire approach in agriculture, consumer goods and mining sectors, economic deterioration and recession continued. Externally Myanmar joined the World Bank and the Asian Development Bank and economic partnership programmes were undertaken in collaboration the United Nations Development Programme, the World Bank etc. Several aids and loans, investments and other bilateral economic assistance programmes mainly from Japan, West Germany etc. accrued to Myanmar, but due to inefficiency, corruption, lack of economic expertise and technical know-how and mismanagement the economy failed to reverse the downslide trend. Instead foreign debt increased, grip of inflation tightened and black market functioned as parallel economy. Ultimately Myanmar became a Least Developed Country in 1987.

Sporadic political protests and demonstrations occurred due to despotic and isolationist temperament of the military regime under Ne Win era. Political oppositions from both Burman and non-Burman ethnic minorities erupted with demands ranging from a responsible government to federalism, autonomy or independence. Different sections of society including students, workers, monks, lawyers etc. launched sporadic protests disapproving the isolationist regime’s policies and activities. The military’s response to all these anti-regime protests and dissention had been force, violence, intimidation, killing imprisonment torture and other like methods.

Dissents and challenges to the despotic regime of the Ne Win also developed from the subordinates military officials, such as the unsuccessful coup against the despotic regime of Ne Win in 1976. However Ne Win controlled and subdued such internal dissentions through frequent purging of the open-minded and potential rival factions, imprisonment of officials and their leaders.
Ne Win later employed isolationism as a tool to entrench his despotic rule in the country. Isolationism became an instrument to serve individual interest rather than serving national interests as contained in the ‘Burmese Way to Socialism’. In other words, under isolationist ideology military became powerful institution but due to insincerity and corrupt leadership Myanmar could not realise the goal of modernisation and nation-building. The popular dissatisfaction over the isolationist and repressive regime culminated in the uprising of 1988 popularly known as the ‘8888 uprising’. Though the people’s demand for a responsible government was quelled by military might, it clearly exhibited that people of Myanmar had rejected both the military rule and its isolationist policy. A movement for democracy was born in Myanmar. Aung San Suu Kyi became the icon of Myanmar’s democracy movement.

After 1988 significant changes took place in the component, ideology and outlook of the leaders. Military continued to rule Myanmar through a new military body called the State Law and Order Restoration Council. Ideologically the State Law and Order Restoration Council was different from the military of the era of Ne Win and it started initiating policy of liberalising politics and economy of the country. While the political reform measures were undertaken discreetly and cautiously, the economic reform measures were pursued in a faster pace. The democratic forces represented by National League for Democracy and Aung San Suu Kyi won a sounding electoral victory in 1990. People had rejected despotic ideology of Ne Winism, yet the popular mandate was not respected. Concerns for security encompassing national security, regime security and personal security prompted the military government to pursue a plan of managed political transfer process from the early 1990s. A process of reconfiguration of Myanmar’s isolationism started vis a vis the rising demand for political and economic liberalisation.

The State Law and Order Restoration Council and then the State Peace and Development Council since 1997 launched political reform process. A National Convention to draft a new constitution was proposed and started sporadic sessions since January 1993 with majority of delegates hand-picked by the military. In 2003 a seven-step roadmap to establish a democratic regime in Myanmar was launched.
However the constitution drafting process was deliberately delayed for 15 years and in the intervening period the junta vigorously employed repressive measures and other tactics to divide, weaken and marginalised the oppositions. The National League for Democracy which ought to have majority of representation in the National Convention and the whole process of democratisation for its thumping electoral win in 1990 was not allowed to represent it democratic ideology. The National League for Democracy boycotted the process as flawed and shameful. Aung San Suu Kyi was kept under house arrest for many years. Meanwhile military signed ceasefire agreements with several ethnic organisations. The strength of the military was strengthened in terms of size and quality. It welcomed foreign investments, loans and trading activities in pursuance of a market oriented economy. By the beginning of the new millennium, all these tightened the grip of military’s power and ruling in the country, yet it retained the road-map for democracy because the risk of isolation and despotism was far greater than democratisation for the military. Consequently it pursued its own plan of power transfer process to a cohort civilian regime where security and interest of the military would not be harmed.

In 2008 when the country was devastated by unprecedented cyclone nargis, the State Peace and Development Council presented a new constitution of Myanmar and got it approved through a national referendum which was criticised as highly untimely and faulty. It exhibited unresponsive character of the military regime. The new constitution preserves military’s dominant role in the country and at the same time it intended to adhere to the norms of democratic governance.

The most significant political development was however the holding of multi-party general election in November 2010, though it was far from being democratically free and fair. Aung San Suu Kyi was denied to contest election, among others. Unsurprisingly the elections gave mandate to the military backed party Union Solidarity and Development Party and its allies. Aung San Suu Kyi and his National League for Democracy boycotted the election, refused to register their party for the election and faced disqualification according to the election law. Several critics of the military’s power transition process both within and outside the country termed the elections as manipulated and flawed. The military junta on its part was happy with the
result. State Peace and Development Council was dissolved and General Than Shwe resigned. A civilian government under the presidency of Thein Sein, the former Prime Minister and the leader of Union Solidarity and Development Party, was formed and started functioning since 1 April 2011.

Thein Sein has been leading a cabinet of former military officials who represented divergent views ranging from conservatism to pro-reforms. Yet the reformist character of the regime cannot be denied. The government of Thein Sein has broadened the political and economic liberalisation process. It undertook talks with Aung San Suu Kyi and his party was allowed to re-register and contest by-election of April 2012. Aung San Suu Kyi and her party won majority of seats in the by-election. The victory gave the National League for Democracy and other civilian opponents of the military a credible political arena in the political system.

In the present politics of Myanmar, the National League for Democracy and Aung San Suu Kyi constitute a minority in the democratic institutions and it cannot amend the flawed 2008 constitution on its own without approval of the military representatives. In fact the military continues to be central in the politics of the country. However this does not mean to ignore the influence Aung San Suu Kyi could exert even by her mere present in the new parliament.